The Global Newspaper
Edited and Published in Paris
Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo, Frankfurt.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

No. 33,686 25/91 ** LONDON, TUESDAY, JUNE 18, 1991 ESTABLISHED 1887

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PHILIPPINE SERIALS DIVISION

Signposts Old and New Mark a Well-Traveled Russian Road

By Serge Schmemann
New York Times Service

MOSCOW — To drive from Moscow to Leningrad in the springtime is to wander through the back roads of Russian history.

The high-rise boxes of Moscow quickly give way to a panorama of whimsically painted wooden huts alist in mud, to a vast horizon of birches, fields and swollen rivers punctuated by the onion dome of a village church. Grizzled men still wield razor-sharp axes to shape logs, and grannies in thick shawls tend goats by the roadside.

This is timeless Russia, the delight of romantics, the despair of reformers and an abiding enigma for foreigners.

Generations of Slavophiles have scoured this landscape for the sources of the storied "Russian soul," generations of revolutionaries have cursed the backwardness, drunkenness and resistance to change, and generations of travelers have been struck by the bewitching charm and hopeless squalor.

Among the first villages out of Moscow, and once the first posting station on the road to St. Petersburg, is Chornaya Gryaz — literally, "black mud." The name still leads the traveler to muse on the ambivalence of the land, and on the real prospects for the great ambitions and plans that dominate talk in the capital in the era of Mikhail S. Gorbachev and Boris N. Yeltsin.

It was in Chornaya Gryaz 200 years ago that a radical gentleman named Alexander N. Radishchev concluded the celebrated record of his "Journey from St. Petersburg to Moscow," with a gasp: "Moscow! Moscow!"

The Radishchev journey was less a travelogue than a literary passage through the social injustices of his day, an effort that earned him several years in Siberia and a reputation as Russia's first literary revolutionary. But the contrasts he recorded have little changed, and travelers still echo his sigh of relief on completing the journey.

A U.S. reporter stopped along the road near the Lenin's Bequest collective farm to photograph a family turning soil by a railroad crossing.

"Quick Vera, call the police — that's a foreigner, he's taking pictures," yelled the man. "They'll take your film, that's sure," he snarled at the reporter as the crossing guard hastily twirled the phone dial. No policeman came.

Further on, at the village of Spas-Zaulok, a young man helping his father hew a new foundation for a log cabin identified himself as a military officer. He showed no compunction in talking to the American, and invited him to come fishing next time.

All along the road, whole families hacked at fields, meadows and gardens with hoes and shovels — bearded intellectuals, children in cloth caps, heavy-set old women.

Soviet city-dwellers have always yearned for a plot of land in the countryside, to be sure, but nobody can remember a time when people have taken to the land in such numbers.

Muscovites by the thousands have roamed far from the capital to secure a quarter of an acre to put in some potatoes and carrots. Urban dailies have begun printing advice on how to store potatoes on city balconies, how to bake bread, how to can carrots.

A private plot to plow and a country cottage have

See DRIVE, Page 2

South Africans Raze Last Pillar Of Apartheid

By Christopher S. Wren
New York Times Service

JOHANNESBURG — The law that laid the legal foundation of apartheid — classifying all South Africans by race from birth with attendant privileges or handicaps — was scrapped Monday by Parliament after more than four decades.

The Population Registration Act, adopted first in 1950 and periodically refined since, became the final pillar of statutory apartheid to be removed by President F. W. de Klerk, after the repeal of the three other discriminatory laws that underpinned white domination of other South Africans.

"Now it belongs to history," Mr. de Klerk said of the discrimination introduced by his own National Party. "Everybody is free of it."

[The United States is pleased with South Africa's repeal of Population Registration Act but is still not ready to lift its economic sanctions, Reuters quoted administration officials as saying in Washington.

[The officials said South Africa had satisfied four of the five conditions laid down by Congress in 1986 for the lifting of sanctions. They added that the Bush administration was studying South Africa's claim to have fulfilled Congress's fifth condition — the release of all political prisoners.

[The repeal of the act also clears the way for South Africa to return to the world's sporting stage. The world athletics championships in Tokyo, starting Aug. 23, are the world's biggest sporting event this year, and the International Amateur Athletic Federation has been making every effort for a South African presence. The federation's biennial congress will vote on South Africa's return shortly before the championships. Achieving a two-thirds majority looks like a formality.]

The Land Acts, which set aside 87 percent of the land for whites, and the Group Areas Act, which dictated where people could live, were repealed June 5.

The Separate Amenities Act, which let municipal officials bar blacks from parks, swimming pools, toilets and other public places, was scrapped a year ago, taking effect on Oct. 15.

"You cannot build your security on injustice, and there is no doubt that the Group Areas Act and other laws which govern occupation of land, as well as the Population Registration Act, led to injustice," President de Klerk said at a joint session. He said the repeal ended a "moral dilemma" bequeathed by an earlier era.

The elimination of the four laws still leaves the black majority without the right to vote. President de Klerk has promised that universal franchise will be extended in a new constitution, which he has invited black leaders to join in drafting.

"It has to be reached by negotiation, and I want to say here today that it is within our reach within a few years," Mr. de Klerk said of the proposed nonracial constitution. "I do not for a moment doubt that we will succeed."

The act was expunged from the statute books with 38 dissenting votes out of 178 members in the white House of Assembly. Eleven abstained, the South African Press Association reported.

The only real opposition came from the Conservative Party, which wants apartheid maintained. Mr. de Klerk accused the Conservatives, the official opposition in the House of Assembly, of what he called "contemptuous disregard of reason and reality."

He said the majority of South Africans were rejoicing in the changes.

"To all who feel uncertain and who still want to seek their security in limiting and discriminatory legislation," he added, "I want to say today: Do not allow yourselves to become the prey of inflammatory

See APARTHEID, Page 4

Soviet Leaders Split On Economic Plan Worked Out in U.S.

By Craig R. Whitney
New York Times Service

MOSCOW — President Mikhail S. Gorbachev reportedly welcomed on Monday an unofficial plan by Soviet and American economists to integrate the country into the world market, while his prime minister huffily dismissed it as a distraction.

Grigori A. Yavlinsky, a 39-year-old economist who brought the plan back from Harvard University over the weekend, presented it to Mr. Gorbachev and found his reaction "fairly positive," he told Tass.

But Prime Minister Valentin S. Pavlov, telling the Soviet legislature about the government's plans to try to halt the continuing economic collapse, dismissed the Yavlinsky plan as "a pretty piece of paper."

"I know a few gentlemen from Harvard University," he said. "They do not know our life. We can hardly expect them to explain everything to us."

Mr. Pavlov was chosen as prime minister by Mr. Gorbachev last winter to reassure people in the Communist Party who feared the consequences of too much change too fast. They are now reported to be miffed by the Yavlinsky plan.

The economist, who drafted a plan last year to move to a market economy in only 500 days, has not revealed details of the new seven-year blueprint, drafted last week with the help of American specialists.

The plan was also presented to President George Bush in Washington on Monday, in advance of a seven-nation summit meeting of industrial democracies in London next month. The leaders will consider whether the West can help the Soviet Union's transformation to a market economy by providing financial and other aid.

Mr. Gorbachev has accepted an invitation to address them after the summit meeting ends on July 17. He said over the weekend that he would be going neither as a blackmailer nor as a beggar.

Soviet advocates of a shift toward a market economy say that Mr. Gorbachev was given a big push to move faster by the election last week of Boris N. Yeltsin as president of the Russian Republic with 57.38 percent of the vote, on a platform of fundamental and rapid economic change.

Mr. Pavlov's remarks were not expected, therefore, to have much effect on Mr. Gorbachev's views.

"The number of economic programs in this country has exceeded the number of dissertations," Mr. Pavlov said with irony.

Several conservative Soviet legislators also criticized the Yavlinsky plan. Viktor Kucherenko, chairman of the Soviet legislature's Planning and Budgetary Committee, said the plan represented unwanted interference in the Soviet Union's internal affairs.

"Russia has always attracted foreigners — but foreigners worked for our country and not the country for foreigners, as it is turning out now," he said in remarks that were later broadcast on Soviet television.

He noted that Mr. Yavlinsky had been associated with the plan to introduce a market economy to the Soviet Union within 500 days. It was a plan that Mr. Gorbachev considered but then rejected.

In a 70-minute speech to the legislature, Prime Minister Pavlov said that the government would be

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Chris Wilkins/Agence France-Presse

Stewart Outlasts Simpson in U.S. Open Golf Playoff

Payne Stewart, left, and Scott Simpson watching Stewart's drive from the first tee in Monday's playoff for the U.S. Open golf championship in Chaska, Minnesota. Stewart won with a 3-over-par 75; Simpson shot a 77. Earlier articles, Page 25.

Poles and Germans Sign Border Treaty

By Marc Fisher
Washington Post Service

BONN — Germany and Poland sought Monday to overcome centuries of shifting borders and deadly aggression by signing a treaty that fixes their territories and guarantees minority rights in both countries.

The treaty, a long-negotiated result of German reunification and the collapse of the East bloc, was accompanied by glowing speeches from Chancellor Helmut Kohl and Prime Minister Jan Krzysztof Bielecki, each of whom expressed confidence that the antipathy between their peoples would now be consigned to the history books.

But while they spoke, airplanes flew over the German government quarter tugging banners reading "Silesia is still ours" and "To renounce is to betray," a reference to Bonn's decision to forever give up claims to formerly German land that became part of Poland after the defeat of the Nazi regime in World War II.

And in Dresden on Monday, the authorities banned the rightist Association for Greater Germany from holding an anti-Polish march.

Friction between Germans and Poles has sharpened in recent weeks as Poles became eligible to cross to the West without visas and East Germans have tried to escape from their painful circle of unemployment and rising prices by buying groceries in Poland.

The result has been a marked increase in tensions as residents of border communities feel themselves besieged by, in the Germans' case, foreign competitors for jobs, and in the Poles' case, by foreign competitors for food. East Germans, many of them youths seeking a scapegoat for their region's troublesome transition from communism to a market economy, have

See TREATY, Page 4

Bush Gets a 'Positive' Letter From Gorbachev on Arms Talks

By John E. Yang
Washington Post Service

GRAND JUNCTION, Colorado — President George Bush said Monday that he had received a "very important" letter from President Mikhail S. Gorbachev saying the Soviets were determined to reach agreement on a treaty limiting long-range nuclear weapons.

Agreement on even the framework of a deal in the context of the Strategic Arms Reduction Talks could clear the way for a long-postponed meeting between the two leaders in the Soviet Union, perhaps as soon as this summer.

Mr. Gorbachev's assurance came in a letter that Mr. Bush received over the weekend.

Brent Scowcroft, the president's national security adviser, said the communication was a "detailed response" to proposals Mr. Bush made to Mr. Gorbachev earlier this month.

"We view it as a positive response," the president told reporters aboard Air Force One on Monday before leaving Los Angeles, where he spent the weekend, for Grand Junction. "It's hard to categorize letters of this nature, but the tone was good, the determination to reach agreement was positive and we're looking very closely at the details." He added: "It's progress."

Secretary of State James A. Baker 3d is meeting with Foreign Minister Alexander A. Bessmertnykh in Berlin later this week to try to resolve differences.

Mr. Bush estimated that the treaty was "96 percent, or, you know, or close to it, concluded." The negotiations were down to "some very fine points of arms control," he said.

"I don't think there are wide differences," he said. "But I do think that some of the differences that remain are fairly difficult. We keep going in increments."

"Obviously, when you are dealing with these details on START you're dealing with highly technical issues," Mr. Bush said.

The Soviets agreed to study a proposal Mr. Bush made in his letter, delivered to Mr. Bessmertnykh by Mr. Baker during a June 7 meeting in Geneva, to settle the question of telemetry, the sharing of encoded data from missile test flights, according to Mr. Scowcroft.

"We've got to hammer out maybe a detail or two in light of this letter," he said.

"Each day it gets harder," Mr. Scowcroft said. "We had a few new ideas. They had a few new ideas."

He said that "things are coming together" but that it was too early to say whether an agreement could be reached quickly.

While calling the letter "very important," Mr. Bush could not say how soon the talks could be concluded to clear the way for a summit meeting in the Soviet Union.

"I'm still holding the dates at the end of June, the end of July, and I'm hoping that we can move as quickly as possible to conclude it," he said. "It's in our interest. We've got lots of subjects to talk about in

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FOR MORE CLASSIFIEDS

Kiosk

Jailed Briton Freed by Iraq

LONDON (Reuters) — President Saddam Hussein on Monday released a British engineer who had been sentenced to life in prison by an Iraqi court for spying, the British news agency Press Association reported.

The engineer, Douglas Brand, 51, was freed after the intervention of a former British prime minister, Edward Heath, the agency said.

Britain has insisted that UN sanctions imposed on Iraq following the invasion of Kuwait not be lifted until Mr. Brand and another British citizen, Ian Richter, are freed.

General News

In Spain, youths say '¡Ole!' to the good life. Page 2.

Business / Finance

The Supreme Court refused to block a lawsuit against Kidder Peabody. Page 9.

Crossword Page 8.
Weather Page 2.

Dow Close	The Dollar In New York	
2,993.96	DM	1.7941
Down	Pound	1.828
6.49	Yen	140.665
	FF	6.0925

India's Search for a Leader

By Bernard Weinraub
New York Times Service

NEW DELHI — With India facing a new government, Congress (I) Party leaders lobbied intensively on Monday for the prime minister's job as the party sought the support of political allies to forge a coalition to take over the nation.

Although the Congress Party has emerged as the single largest party in India's national election, it has fallen short of the votes needed to form a government. Party leaders on Monday began bargaining privately with officials of left-of-center and regional parties to gather the necessary 256 votes for a majority in Parliament. The Congress Party is expected to gain from 210 to 215 seats.

Vote counting is expected to end Tuesday night in the election, in which about a half-billion people cast ballots. The election has been the most violent in India's 44-year history, and has been shadowed by the assassination of former Prime Minister Rajiv Gandhi on May 21 in a town southwest of Madras.

By Monday night, the Congress Party had won 183 seats. In second place, the Hindu revivalist Bharatiya Janata Dal had won 82 seats and was expected to gain about 120 seats in the lower house of Parliament. And in third place, the Janata Dal, which pressed for a controversial affirmative action plan for government jobs for people in lower castes, had won only 28 seats, a serious setback for the party.

Congress Party sources said that its decision-making panel, the Congress Working Committee, began meeting Monday for private debate over which leader should take the party's parliamentary leadership, and thereby become prime minister. The panel of two dozen leaders is expected to make their choice Tuesday or Wednesday, and present it to the party's parliamentary lawmakers on Thursday.

After Mr. Gandhi's killing, the party leaders, seeking a sympathy

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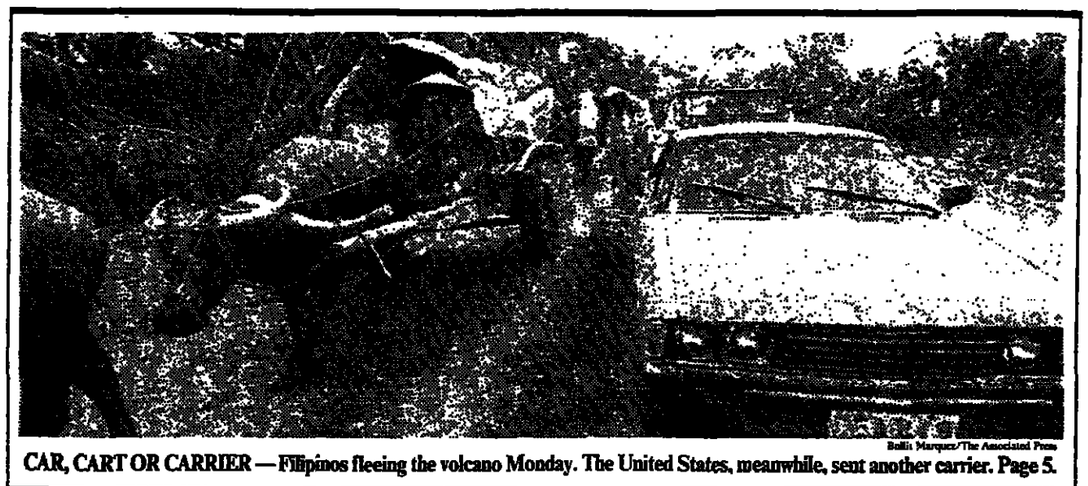


Bullit Marquez/The Associated Press

CAR, CART OR CARRIER — Filipinos fleeing the volcano Monday. The United States, meanwhile, sent another carrier. Page 5.

Where Have All the Little Girls Gone? In Rural China, No One Knows

By Nicholas D. Kristof
New York Times Service

DAIJIAWAN, China — The pigs amble lazily among the mud-brick houses, and the grinning children play ping pong on flat bits of ground. for an almost picture-perfect image of bucolic contentment. But villages like this one in central China still have their secrets, perhaps dark ones, because something is missing in these hamlets: several million little girls.

Newly released data from China's 1990 census support previous suspicions that 5 percent of all infant girls born in China are unaccounted for. No one knows for sure what has happened to them.

Are they killed at birth, drowned in a bucket of water by the midwife, on instructions from parents who want a son rather than a daughter? Or are they given up for adoption? Or perhaps they are raised secretly to evade the one-child policy? Some evidence suggests that a combination of these factors accounts for the missing girls, although officials insist that very few are killed.

"There's no infanticide here," said Jin Mingai, the mayor of Daijiawan, a remote hillside community accessible only by foot trail. Mr. Jin squirmed on his stool and acknowledged that every couple in the village had managed to produce a son, despite family planning restrictions, but he added firmly: "The peasants here would never drown their own daughters."

Villagers overwhelmingly give the same answer, and perhaps they are right. But one of the great mysteries of China is what happens to about half a million infant girls who are born alive each year but then vanish.

The girls almost certainly disappear because of the traditional preference for sons rather than daughters. But in a larger sense, they are the unintended casualties of China's 12-year-old "one-child policy."

While Chinese couples are limited to having one or two children, as is now the case, they are sometimes reluctant to "waste" their allotment — or risk heavy fines and punishments if they exceed it — on a daughter. They fear that if they go ahead and raise a girl, they may miss the chance to have a son later.

"If they have a son, most couples will usually be satisfied and stop," said a local official here in Hubei Province. "But there are some couples that think they absolutely must have a son, and they keep on trying no matter how many daughters they've already had."

Boys are preferred partly because they customarily do more farm work.

But the most important reason is that in Chinese families, girls "marry out," and the family line passes only through sons. Couples also want boys as a kind of social security, because it is sons who are charged with caring for their parents in old age.

For now, the question of the missing girls is such a puzzle that even the number of those missing is only an inference, based on skewed sex ratios of newborn infants.

Data released in May from the 1990 census indicate that for every 100 girls aged less than one year there were 111.3 boys. This disparity was not a fluke: a survey conducted in 1989 found 112.5

See GIRLS, Page 4

Youth in Spain: Adios to Idealism and ¡Olé! to the Good Life

By Alan Riding
New York Times Service

MADRID — In the late 1960s, with the Franco dictatorship still very much in power, Spain's version of the generation gap defined the distance between idealistic young leftists who were fighting for democracy and parents who preferred the safety of political indifference.

Today, with the middle-class students of 25 years ago now dominating business, professions, and politics here, a generation gap has again opened up, but this time Spain's youths have chosen the search for security instead of political activity as their form of rebellion.

To be a Marxist is now almost a declaration of middle age. "I don't believe in any politics," said Virginia Martínez, a 16-year-old whose father is still a Communist. "I think it is all corrupt. There's a lot of disillusion among youths."

In a sense, Spain is merely catching up with other West European countries where politics have moved to the center, where graduate unemployment has tightened competition for jobs, where student unrest is now as unfashionable as long hair and beards.

But the change has been more sudden in Spain. In the 1960s, when students in France, Germany, and Britain were looking for utopia in societies that were already affluent, Spain was still a backward nation that had been isolated from the world by decades of authoritarianism.

Its transformation into an increasingly prosperous democracy is a remarkable success story. But it has distanced many educated parents from their children, who now cheerfully ignore idealism in favor of material gain.

The result is intense soul-searching about what kind of country Spain is becoming. The struggle for political freedom has been won and economic growth is surging ahead, but the search for social justice is being neglected and, in its rush to become European, Spain is becoming less Spanish.

For some intellectuals, there is nostalgia for the days when the battle lines were clearly drawn. "Those were heroic times," a retired rebel recalled. "Who doesn't remember being chased by mounted police, being tear-gassed, going into hiding? Our children will never know this."

Yet if their children dream of finding a job, buying an apartment, and getting rich, they are merely products of the materialistic society that their parents' generation has spawned, above all since the Socialist Workers' Party took office in 1982.

It is also a model of society that many Spanish adults have embraced with enthusiasm as they acquire a second car, take vacations abroad, and follow the antics of the new super-rich in glossy gossip magazines.

But for many journalists, intellectuals, and politicians in their mid-40s, the new generation gap is worrying. "If you look at our youth, we're becoming a nation of narcissists, concerned mainly with the cult to the body, to comfort, to consumption, to money," Amando de Miguel, a sociologist, said. "They read less and spend more."

Magdy Martínez Soliman, who heads the government's Youth Institute, said the difficulty that young adults now have in finding jobs and housing means many more choose to live at home. According to a recent poll by the institute, 74 percent of those between the ages of 15 and 29 do so.

"They attend university because that will enhance their status," Miss Martínez explained, "but they stay home because they don't want to spend money on rent. They prefer to spend it on a car, on clothes, on going out. Our polls show 50 percent have no interest in politics against 20 percent in 1977."

A recent article in the daily El País noted that "the young people of May 1991 are practical, passive, and individualistic and they share none of the spirit of adventure and solidarity that characterized the generation of May 1968."

But while many parents complain about their children's values, Spain's under-20s snipe back. "Today's youths aren't interested in politics because, above all, they have to find a place for themselves in the system," said José Antonio Rubio, a 19-year-old economics student. "They have no alternative."

Certainly, for many of them, the Socialist government and the conservative opposition Popular Party are virtually the same. "We don't identify with any political party," said Vicente Soto Ortego, a 21-year-old law student. "People think there are many more important things in their lives than politics, such as finding a job, sports, love."

Even the role models of Spain's youth today are very different from a decade ago. A poll published by the weekly Cambio 16 showed that Mario Conde, a highly successful young banker, ran far ahead of Prime Minister Felipe González as the man most admired by those surveyed. The most admired woman was a billionaire industrialist.

The Spanish Communist Party, which during much of the 20th century could count on student support, is shrinking in size as its membership grows older. "I'm mainly interested in conservation," said Ivan Calabuig, a 17-year-old high school student. "Green politics are the only reasonable politics."

As in other "post-ideological" European societies, then, the trend here is toward abstention in elections and cynicism toward traditional political parties, particularly since the state seems unresponsive to problems like unemployment, housing, crime, environment and immigration.

And, in Spain at least, this change can be measured by the growing generational divide. Spain is still largely governed by those who grew up fighting the Franco government, but tomorrow's society is already being shaped by their children. And for them, four decades of dictatorship is now just a historical footnote.

Baker Might Offer Aid on Tirana Visit

By David Hoffman
Washington Post Service

BERLIN — Secretary of State James A. Baker 3d will visit Albania this week and offer possible U.S. aid if the Balkan nation remains on the path toward elections and change, Mr. Baker and other officials said Monday.

He also plans an appeal to Yugoslavia's leaders to preserve what remains of the country's fragile unity, the officials said.

Mr. Baker said his visit to Albania, the first there by a U.S. secretary of state, is to show support for the creation of a new interim government that includes members of the democratic opposition and to urge them to move forward "unreservedly."

The formation of the new government in Albania, the last of the East European nations to throw off totalitarianism, "improves considerably" Albania's prospects for full admission to the 34-nation Conference on Security and Cooperation in Europe, he said. He added that the United States would push to gain a place for Albania.

A senior State Department official said, "We would anticipate being in a position to discuss some assistance" to Albania "if they are willing to take the steps we think are appropriate to move toward democratization and free-market reforms."

The Communist government in Albania, which won two-thirds of the vote in the March general elections, collapsed recently in the face of a three-week general strike and widespread food shortages. An interim government under Prime Minister Ylli Bufi, a Communist who was minister of food in the previous government, has promised elections by next spring.

Mr. Baker said any U.S. aid would be conditioned on the current government's continuing to include opposition members, whom he is to meet with separately in Tirana on Friday.

He did not specify what kind of aid might be offered, but the discussions and his visit mark a turning point for a nation that often expressed bitter anti-U.S. views under the Stalinist leader Enver Hoxha. The United States established diplomatic relations with Albania in March. According to the State Department, there were no formal contacts from 1946 to 1990.

Mr. Baker arrived in Berlin on Monday for the first operational meeting of the foreign ministers of the Conference on Security and Cooperation in Europe since the collapse of communism in 1989-90.

He is to deliver an address on Tuesday to a private group here further describing the U.S. view of how the Atlantic alliance should help the struggling democracies in the East and the Soviet Union. The ministers are also expected to debate what role they should have in the ethnic and nationalistic conflicts that have threatened Yugoslavia's stability.

Many Europeans and some policymakers in the Bush administration believe that Yugoslavia's conflict is typical of the kind of threat that Europe will face as the prospect of massive attack from the Soviet Union diminishes and the collapse of totalitarian regimes unleashes new tensions between ethnic groups and nationalities.

But the methods for dealing with these conflicts — radically different from the East-West military confrontation of the Cold War years — are just beginning to be explored.

Calling the situation in Yugoslavia "sensitive and delicate," Mr. Baker acknowledged that "there are only so many ways in which other nations can assist" the country to resolve its differences peacefully and move toward democracy.

"One way to do that is to go there and present the message to the leadership with respect to the way others see things," he said. "That's one of the reasons we will be going there. As you know Yugoslavia is not the beneficiary of substantially massive amounts of American assistance."

Mr. Baker, who visits Belgrade late Thursday and Friday after the Berlin conference, said he would urge the six feuding republics to stay together. The leaders of the constituent republics agreed recently to consider a plan that would transform the country into a loose confederation of sovereign states.

"We think it will be very difficult to foster sufficient respect for human rights and for conversion to the market economy if the country breaks up into a host of constituent parts," Mr. Baker said. "We think it will make it much more difficult to do that." A unified country, he added, "would lead to greater respect for human rights."

Luca Turi/The Associated Press

A group of Albanian asylum-seekers, waving Monday to an Italian Navy ship that eventually picked them up in the Adriatic Sea. Hundreds of Albanians are fleeing on rafts like the one above; they are rescued by Italian ferries and naval vessels, but most are repatriated.

An Ill-Planned Soviet Pullout in Hungary

By Celestine Bohlen
New York Times Service

BUDAPEST — Among the mementoes left by the Soviet Army as it withdraws from Hungary is a half-completed building on the edge of Budapest's 16th District, a roofless symbol of a rapid departure.

Local inspectors, who made a tour of the base as soon as the Soviet military vacated it last month, have no idea what the building was meant to be.

No documents were left behind, and nothing can be deduced from the piles of concrete slabs and broken bricks, gaping stairwell, uneven floors, and dangling wires.

But judging from the building's condition, the inspectors were able to conclude that construction had continued during the last 15 months — that is to say, after Hungary and the Soviet Union signed an agreement for the total withdrawal of Soviet troops by this June 30.

Such wasted effort is not unusual in the Soviet economy. But at a time when Soviet generals are complaining about being left in the lurch by diplomats who negotiated the withdrawal, the building off Ujszasz Street would seem to mock their grievances.

The building, the unused materials, even the crane looming over the skeletal structure, will have to be bulldozed away.

Meanwhile, many of the Soviet soldiers and officers heading home from Budapest will live in tents until the Soviet Army comes up with the materials and the money to build new housing for its troops.

The Hungarian-Soviet pullout agreement, signed on March 10, 1990, has been strictly followed by the Soviet Army, with a steady convoy of troops and equipment heading eastward across the border.

Last week, Budapest was informed that the last troops would cross the border on Wednesday, 10 days ahead of schedule.

Soviet troops are due to complete their withdrawal from Czechoslovakia this week as well. They may not have left Poland and Eastern Germany until 1994.

The last scheduled Soviet troop train crossed Hungary's border on Sunday, leaving behind only a skeleton staff led by the Soviet commander, Lieutenant General Viktor Shilov, for a formal handover.

"The trucks, the trains, have been going day and night," said Gabor Fekete, mayor of the 16th District, where housing for the Soviet forces was concentrated. "It has been going hop-hop."

Several Soviet officers and families see themselves as the victims of a lack of planning. "It was not thought through," said Marina Orach, who will stay with her parents in the Ukraine while her husband awaits an apartment in his new posting.

"It was all so quick," said an officer headed for the troubled Soviet republic of Georgia. "But the decision was not ours. Our president decided to free Europe, and he gave his word."

About a week ago, only 500 members of the Soviet military remained in the district, which once housed 9,000 Soviet soldiers, officers, and their family members.

The 60 acres that were once the exclusive domain of the Soviet Army were being relinquished to the local authorities, one parcel at a time. The last piece of Soviet-occupied territory was the command headquarters and the housing behind it off Marx Street.

The atmosphere is of a town just evacuated after a disaster. The playgrounds are silent, with weeds growing high among the swings. Copies of Pravda cover holes in windows; signs quoting President Mikhail S. Gorbachev are already fading to pink.

Budapest is planning to celebrate the Soviet departure with daylong street parties on June 30.

In the 16th District, the party will start on June 29, with a band playing at the airport where Soviet helicopters used to land. "We are calling it 'Bye-Bye, Sasha,'" said Mr. Fekete, a 27-year-old electronics specialist elected last year.

DRIVE: *The Timeless Moscow-Leningrad Road Leads in All Directions*

(Continued from page 1)

always been highly sought after in this land of short summers, but neither leisure nor status are at issue now that stores stand empty and prices soar.

At Zelenograd, a massive mound of sculptured earth faced with a stone monument marks a common grave for thousands of Soviet soldiers who blocked the Nazi advance on Moscow in December 1941. There are always fresh flowers and a clutch of visitors.

This is only one of scores of memorials that line the route of the fierce fighting of 50 years ago, and even now, in a time of shattered myths, that conflict retains a sacred place in the consciousness of the nation.

On the radio, a Soviet tourist to Germany reported with some amazement that World War II is a far lesser reality there.

"They all know about it, of course, but it just doesn't seem as important to them as it does to us," he said.

The story of Torzhok, a picturesque town on the banks of the River Tvertsa 210 kilometers (130 miles) north of Moscow, is somewhat typical for these parts. Since the 11th century it was fought over by Russian princes, sacked by Mongols, Lithuanians and Poles, wrecked by Ivan the Terrible and bombed by the Germans.

But the sad spectacle that it presents today is largely a legacy of Soviet rule.

Of 32 churches and monasteries that lace the 26 hills on which the town is set with a fairy-tale silhouette of onion domes and ramparts, only a handful still stand, ravaged and crumbling. The cathedral is a bakery, its yard a dump.

The hotel where the poet Alexander Pushkin dined on the celebrated local dish, the chicken cutlets known as *pozharskiye kotlety*, is a seedy hangout of black marketeers. You'd better eat in your room, a visitor was told; and no, we're out of pozharskiye kotlety.

During the night, robbers broke into a house by the church and stole three icons.

"They're being sold to foreigners by now," the priest said. "Only I don't understand, why do foreigners need our sacred images?"

"Freedom," sighed a constable. "They always give it to the wrong ones."

Yet, restoration work has begun on the once-majestic Borisoglebsky Monastery, founded in 1038, and crosses have appeared on some former churches. On the main highway, signs to nearby Kalinin have been replaced by signs for Tver, its ancient name before it was renamed for the first Soviet president.

In Torzhok and Tver, as in Leningrad, Moscow, Georgia or Lithuania, people are seeking to reclaim interrupted histories, to fill the spiritual void left by the rapid disintegration of the communist faith. The impulse is natural, but it leads in many directions. Fundamentalist religions, faith healing, nationalism, monarchism, racism, rumors — all find fertile ground in a nation cast adrift.

"What will they teach in school now?" worries the mother of a young girl looking at a cartoon spoofing Lenin, the demigod of the Soviet state whose bald and goateed visage still glares in all official buildings and town squares. "Maybe they should leave us Uncle Lenin for a while longer, at least until we have something else."

There was a time when the town of Vyshni-Volochek, about halfway between Moscow and Leningrad, stood at the juncture of East and West.

Perched on the watershed between the Baltic and the Volga basins, it was the point at which vessels were hauled overland from one side to the other. In 1703, Peter the Great ordered a canal built to link the rivers Tvertsa and Msta as part of his design to link backward Russia with the modern West.

For almost 200 years, the canal played a major role in East-West commerce. But then came the St. Petersburg-Moscow railroad, and, by 1900, water traffic ceased entirely. In the Soviet era, the city sank to provincial insignificance.

Six years after Mr. Gorbachev launched the process known as *perestroika*, there is a sense that the Soviet Union is again at the watershed, but no one can tell whether it will lurch toward Western-style democracy and a free market, or toward isolation and authoritarian rule.

It is a replay of a timeless conflict between progressive and reactionary, innovation and tradition, Westernizer and Slavophile, West and East — except that for 75 years the debate stood frozen by the enforced orthodoxy of communism. Now, as it slowly thaws, it seems at times dated and tinged with a new anxiety.

"The West will never let us fail," declared a middle-aged accountant by the canal, in which rows of housewives were doing their washing. "I mean, this isn't Africa. Look at our resources, look at our size, our nuclear weapons, our European culture."

IHT

Habash Says U.S. Fails Palestinians

Reuters

BAGHDAD — A Palestinian guerrilla leader, Georges Habash, says the United States does not want to see the creation of a Palestinian state and that Washington's Middle East peace initiative offers Palestinians no hope.

The leader of the Popular Front for the Liberation of Palestine said in an interview Sunday that the way for Palestinians was to press on with the uprising in the Israeli-occupied territories.

U.K. Bars 'Federal' EC Union

By Charles Goldsmith
International Herald Tribune

LUXEMBOURG — Britain rejected on Monday as fundamentally unacceptable a European Community treaty proposal for a "federal" union with a single currency and a future military role.

"We believe that it is just as European, and just as effective, to work in a looser structure," said the British foreign secretary, Douglas Hurd, after a meeting of foreign ministers in the EC intergovernmental conference on political union.

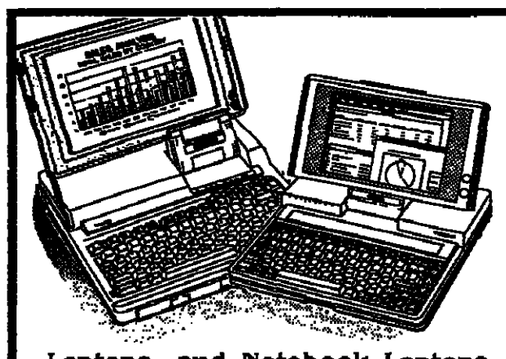
Denmark and Portugal also objected to the treaty proposal, from the Luxembourg EC presidency, which calls for "a new stage in the gradual process leading to a union with a federal goal."

Diplomats said it was the first explicit reference in an EC document to the word "federal," which to many people implies a "United States of Europe" very different from the current looser Community structure.

"I hope they will change the wording, because we and some others spoke against that wording," said the Danish foreign minister, Uffe Ellemann-Jensen.

Mr. Hurd made it clear that he preferred present treaty language calling for an "ever closer union" among the 12 member nations.

He also requested that references in the proposal to a "single currency" and a "defense policy" be removed, aides said.



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WORLD BRIEFS

U.S. Says China Arms Talks Stall

BEIJING (Combined Dispatches) — U.S. officials indicated on Monday that current talks with China on controlling arms sales were difficult and said they would be extended.

An official said Undersecretary of State Reginald Bartholomew, who arrived Sunday in Beijing, would add an additional session with Deputy Foreign Minister Liu Huaqiu, to his schedule Tuesday, the last day of the talks. Mr. Bartholomew met Mr. Liu and science and technology officials on Monday and will meet trade and military officials Tuesday.

China rejected American "criticism" of reported missile sales to Pakistan and said the neighboring countries were holding no negotiations on this matter. A Chinese spokesman said, "In the past China has provided Pakistan with some conventional weapons, including a small number of tactical missiles." He added that there were no more such exchanges and "no reason for criticism." *(Reuters, AFP)*

China Accuses Vatican of Interfering

BEIJING (Reuters) — China accused the Vatican on Monday of interfering in its internal affairs by appointing a dissident Chinese Roman Catholic priest as cardinal.

A Foreign Ministry spokesman said the elevation last month of Gong Pinmei, China's most famous dissident cleric, had put new obstacles in the way of improving relations between China and the Vatican. The Vatican does not recognize the Chinese Communist government, maintaining links with Nationalist Taiwan.

Cardinal Gong, 90, formerly bishop of Shanghai, was arrested in 1955 and spent 30 years in jail for refusing to recognize the state-sanctioned Catholic Church, which does not accept the authority of the Pope. He was freed in 1985 and is now in the United States.

U.S. High Court Rebuffs Inmate Plea

WASHINGTON (AP) — The Supreme Court ruled Monday that prison inmates cannot force improvements in inhumane living conditions unless they can prove the conditions were caused by "deliberate indifference" of officials.

By a vote of 5 to 4 in a case from Ohio, the justices said inmates who contend they are victims of unlawful, cruel and unusual punishment cannot win a federal lawsuit merely by proving negligence.

The four who voted in favor of the inmates contended that the state of mind of prison officials was irrelevant and said the ruling might undermine prison improvement efforts. The ruling means inhumane conditions will prevail, they added, whenever officials can make a case that they lacked money to improve conditions.

The Kurds Need More Aid, EC Says

LUXEMBOURG (Reuters) — The European Community said Monday that negotiations between Iraqi Kurds and President Saddam Hussein were at a dead end and that more aid was urgently needed to protect refugees who had returned to their homes.

After a meeting of EC foreign ministers, Luxembourg's Jacques Poos said: "The negotiations between the Kurds and Saddam Hussein are at a dead end and the Kurdish people who decided to return to their homes in the protection zones in the north of Iraq feel terribly insecure."

His comments contrasted with optimistic statements from a Kurdish leader over the weekend about the negotiations.

Zachary Taylor Disinterred for Tests

LOUISVILLE (AP) — The remains of President Zachary Taylor were removed from a crypt on Monday to investigate an author's theory that the 12th U.S. president was poisoned and did not die of gastroenteritis.

Clara Rising of Holder, Florida, who is writing a book about Taylor, contends the symptoms of his death on July 9, 1850, were consistent with arsenic poisoning. Ms. Rising thinks political rivals put arsenic in fruit Taylor ate a few days before he died.

Shots Fired Near Carter at Project

MIAMI (AP) — Gunshots ripped through a construction site where former President Jimmy Carter and volunteers were building low-income housing Monday, leaving one man slightly wounded. Mr. Carter was nearby but was unhurt. His wife, Rosalynn, was with him and also was unhurt.

Investigators had conflicting information about whether the shots were directed at Mr. Carter's Habitat for Humanity Project, a police spokeswoman said.

Witnesses said they heard three or four shots ring out in rapid succession from a car. Pat Morris, who was placing sandwiches on a table for the work crews, took a bullet through his baseball cap, but suffered only a grazing wound.

TRAVEL UPDATE

Alia The Royal Jordanian Airline resumed service to Beirut on Monday. A jetliner carrying 161 passengers was the first Jordanian plane to land at Beirut International Airport since Lebanese Shiite Muslim gunmen hijacked and blew up a Royal Jordanian jet there in June 1985. *(Reuters)*

Sweden's Inlandsbana railroad, which runs from the southern town of Mora to Gallivare in the Arctic Circle, will stop passenger service after Sept. 15, when a government subsidy expires. *(Reuters)*

Belgian customs officials, protesting job cuts after the European single market comes into effect, created traffic jams on main arteries Monday with extensive checks of automobiles and trucks. They were protesting a government decision to reduce the customs service after the single market is created on Jan. 1, 1993. *(AFP)*

The Weather

North America
Hot, humid weather will be the rule from New York City southward along the Atlantic coast of the United States Wednesday through Friday. However, there will be some relief from the heat in the form of scattered thunderstorms.

Europe
Central and eastern Scandinavia will have a cool, soaking rain Wednesday into Thursday. The remainder of Northern Europe will have below normal temperatures and a few light showers. The heart of Russia will be unusually warm.

Asia
Rains will fall at times Wednesday through Friday from southern China to Japan and the southern tip of Korea. Some rain will be heavy. Beijing and Seoul will be warm and dry most of the time. Scattered cloudbursts will occur in steamy Southeast Asia.

Europe

	Today High C/F	Low Wx C/F	Tomorrow High C/F	Low Wx C/F
Algarve	27/81	17/62 s	28/83	19/66 s
Amsterdam	17/62	10/50 c	17/63	10/50 c
Athens	25/77	15/61 pc	25/77	17/62 pc
Barcelona	25/77	15/59 pc	26/79	17/63 s
Belgrade	24/75	13/56 sh	22/71	13/55 sh
Berlin	15/59	9/48 sh	16/60	8/47 sh
Brussels	17/63	9/48 c	17/63	10/50 c
Budapest	17/63	11/51 r	17/62	11/51 r
Copenhagen	18/65	11/51 sh	18/64	10/50 sh
Costa Del Sol	31/88	14/57 s	32/89	16/61 s
Dublin	19/66	10/50 pc	19/67	11/51 pc
Edinburgh	18/61	9/48 c	17/63	10/50 pc
Florence	21/70	12/53 sh	21/69	11/52 sh
Frankfurt	17/63	9/48 c	17/62	9/49 sh
Geneva	18/64	10/50 c	17/63	10/50 sh
Helsinki	18/65	10/50 sh	18/65	11/51 r
Las Palmas	26/78	18/64 pc	26/79	18/65 pc
Leningrad	19/66	9/48 sh	19/66	9/49 r
Lisbon	27/80	17/63 s	27/81	19/66 s
London	17/63	9/48 c	18/64	9/48 c
Madrid	24/76	10/50 pc	24/76	11/51 s
Milan	19/67	10/50 c	19/66	9/49 sh
Moscow	22/72	11/51 c	22/71	11/52 c
Munich	17/62	11/51 sh	15/61	10/50 r
Nice	20/68	11/52 pc	19/67	11/51 c
Oslo	18/65	10/50 c	18/64	9/49 r
Paris	16/61	8/47 c	17/62	9/48 c
Prague	15/59	10/50 sh	16/60	10/50 sh
Reykjavik	13/55	9/48 pc	13/56	10/50 pc
Rome	21/70	13/56 c	21/70	14/57 r
Stockholm	14/58	9/48 sh	14/58	9/48 r
Strasbourg	18/65	9/48 c	18/65	9/48 c
Venice	21/70	13/55 sh	21/69	13/55 sh
Vienna	14/58	10/50 r	14/57	9/49 r
Warsaw	17/63	7/46 sh	17/62	7/44 c
Zurich	17/63	9/48 c	17/62	8/47 sh

Middle East

Ankara	24/75	11/52 pc	24/75	12/53 pc
Beirut	28/82	18/60 s	28/82	17/62 s
Cairo	33/91	20/68 s	33/92	21/69 s
Damascus	29/82	15/59 s	28/83	15/59 s
Istanbul	24/75	17/63 pc	24/75	12/54 pc
Jerusalem	30/86	18/60 s	31/87	18/65 s
Riyadh	44/112	27/81 s	43/109	28/82 s

Oceania

Auckland	18/64	14/58 sh	18/64	15/59 pc
Sydney	18/65	9/48 sh	20/68	9/49 pc

Asia

	Today High C/F	Low Wx C/F	Tomorrow High C/F	Low Wx C/F
Bangkok	33/91	26/78 pc	33/91	25/77 pc
Beijing	24/75	18/64 pc	22/72	16/60 pc
Hong Kong	32/89	27/74 t	32/90	24/75 t
Manila	34/94	25/77 pc	34/94	24/75 pc
New Delhi	38/101	24/76 pc	37/98	25/77 pc
Seoul	21/70	19/66 sh	21/69	17/62 pc
Shanghai	27/81	19/66 sh	26/78	19/64 s
Singapore	32/89	24/75 pc	32/89	24/75 pc
Taipei	33/91	23/73 sh	33/90	23/73 sh
Tokyo	25/78	20/68 sh	23/64	18/64 pc

Africa

Algiers	23/73	18/61 c	23/74	17/62 pc
Cape Town	19/66	8/46 pc	19/66	8/46 pc
Casablanca	33/91	18/60 pc	33/91	18/61 pc
Harare	26/78	16/64 pc	27/80	19/66 pc
Lagos	34/100	25/78 pc	27/80	26/79 pc
Nairobi	22/72	15/59 pc	22/71	14/58 pc
Tunis	28/83	20/68 pc	23/64	21/69 pc

Latin America

Buenos Aires	17/63	5/41 pc	19/66	9/48 pc
Caracas	30/86	23/74 pc	27/81	24/75 pc
Lima	20/68	17/62 sh	21/70	17/62 pc
Mexico City	26/79	14/57 t	27/80	14/57 pc
Rio de Janeiro	28/82	19/67 pc	29/82	19/66 pc

North America

Anchorage	14/57	7/44 sh	14/57	7/44 sh
Atlanta	31/87	21/69 t	31/88	22/71 t
Boston	23/74	17/63 pc	29/78	18/64 pc
Chicago	32/90	19/67 s	28/83	18/64 pc
Denver	31/88	15/58 s	28/83	14/57 pc
Detroit	31/88	18/64 s	30/86	18/64 pc
Honolulu	29/85	23/73 s	29/83	23/73 pc
Houston	34/93	22/71 pc	33/91	24/75 pc
Los Angeles	26/79	16/60 s	23/73	14/57 pc
Miami	32/90	24/75 t	32/90	25/77 pc
Minneapolis	31/87	18/64 s	27/81	19/66 sh
Montreal	28/82	17/62 pc	29/85	14/58 pc
Nassau	32/89	22/71	33/92	23/73 pc
New York	30/86	20/68 pc	30/86	21/70 pc
Phoenix	43/110	26/79 s	41/105	25/78 s
San Fran	20/68	11/51 s	21/69	11/51 pc
Seattle	22/71	11/52 pc	21/70	11/52 pc
Toronto	28/83	18/64 s	30/86	19/66 pc
Washington	31/88	22/72 t	31/88	23/73 t

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, s-snow, i-ice.
All maps, forecasts and data by Accu-Weather, Inc.©1991

From China to Chinatown: With $35,000, Thousands Flock to Illegal Servitude

By Al Kamen
Washington Post Service

WASHINGTON — The chartered Boeing 707 from Peru, its tail numbers and other identification covered by white paint, rolled to a stop at the airport terminal in Belize last March.

The passengers, 173 young men from Fujian Province in China, each carried a single small suitcase as they moved quickly to waiting vans, cars and a yellow school bus to continue their journey on through Mexico to their ultimate destination — New York's Chinatown.

The plane, called the "Ghost Plane" by the U.S. officials who tracked it, is one of the dozens of ways tens of thousands of Chinese enter the United States illegally each year in what immigration officials say is an increasing and seemingly unstoppable flow.

They typically pay from $35,000 to $50,000 to Chinese smugglers, many with connections to Chinese organized crime, and use illegal documents and an array of circuitous routes by land, sea and air to make their way to the United States.

They essentially will become indentured servants, working in sweatshops in the garment district and in restaurants, laundries and other businesses. They will work as long as five years — often seven days a week, day and night, for minimum wage or less — while living in squalor, to pay off the loans that brought them here.

Some are lured to the quicker money to be made by smuggling drugs, becoming enforcers or engaging in prostitution for the Chinese gangs that lent them money.

It is that aspect of the new wave of illegal immigration that worries U.S. officials. "This is a whole new ball game," said Michael T. Empres, INS operations director. "The patterns have changed, and the type of people have changed. Anyone who scrapes together $50,000 — about 100 years' salary for the average Chinese — is compromised on arrival in the U.S."

The newly arrived are living "in a form of slavery," paying rent and buying food from the smugglers, he said. The pressure on these immigrants to turn to crime can be overwhelming.

A total of 54 of the Ghost Plane passengers were caught crossing the border near Brownsville, Texas, and will probably apply for asylum, immigration officials said. Because of a processing backlog of more than 111,000 cases, the application alone guarantees years in the United States — with a work permit — while their cases are pending.

The 119 other passengers who made it to New York will most likely stay underground and blend into the 300,000-member Chinese community there, which includes about 30,000 illegal workers, according to New York City estimates.

There are two main groups of emigrants, according to U.S. officials and immigration lawyers. Many of the new arrivals, especially those going to New York, come from Fujian, a coastal Chinese province across from Taiwan that has long been associated with shipping and smuggling.

But the crackdown on the Tiananmen democracy movement in 1989 and concern over the 1997 transfer of Hong Kong to Beijing's control have pushed people from other provinces, especially the Guangzhou area, and from Hong Kong into the stream leaving China.

The number of Chinese entering illegally each year is much smaller than the estimated hundreds of thousands of illegal entrants each year from Latin America. There also is an increasing number of Chinese entering the United States legally each year, with 32,000 coming from mainland China and tens of thousands more from Hong Kong, Taiwan and Southeast Asia.

Many of the illegal immigrants arrive through Latin America. Officials estimate there are at times as many as 4,000 Chinese in Bolivia, many living in safe houses on the outskirts of Santa Cruz, which has become a transit center and a center for manufacturing fraudulent documents.

Thousands of Chinese enter the United States through Canada, either from Vancouver into Washington state or from Toronto through Buffalo or Detroit. They hide in the trunks of cars or behind cargo in trailer trucks, INS officials said.

The smuggling rings' profits are enormous, while the price for getting caught is a sentence of at most six months for a first offense.

UN Sees Decline of AIDS in West, but Its Rise in Third World

Compiled by Our Staff From Dispatches

FLORENCE — A UN report released Monday predicted that the rate at which people in the West develop AIDS rate could decline by the mid-1990s, but cautioned that the reduction should not lessen the worldwide commitment to battle the disease in Africa and Asia.

The rate of infection with the HIV virus responsible for AIDS is spreading much faster than first forecast in Africa and Asia, said Dr. James Chin, chief of AIDS forecasting at the World Health Organization.

He predicted that more than 15 million adults worldwide would be infected with HIV by 1995, also forecast that by the end of the decade the disease would probably kill 500,000 to 1 million people each year in developing countries.

The disease in Asia, where it only recently has started to spread, "has come up rapidly," particularly in Thailand and India, he said at the seventh annual international conference on AIDS.

Part of the rise was because of an "explosion in intravenous drug users in Bangkok," Dr. Chin said.

The virus that causes AIDS can be transmitted by sharing contaminated needles, by sexual intercourse with infected persons and by transfusions of blood from infected people.

The disease is also spreading faster than first forecast in Africa, Dr. Chin said, but he reported encouraging news for America and Europe.

"Epidemiological data indicate that in industrialized countries, where extensive spread of HIV began in the late 1970s or early 1980s, the majority of HIV infections occurred during the first half of the 1980s. As a result, peak incidence for AIDS cases and deaths is expected to occur around the mid-1990s."

The Washington Post reported this week, however, that although the data point to the epidemic having reached its peak and could decline, one government AIDS expert, believes that new drugs are holding off the onset of AIDS symptoms.
(AP, AFP, WP)

■ Drugs Holding Promise

Lawrence K. Altman of The New York Times reported earlier from Florence:

Several new experimental drugs hold promise for improved treatment of two of the infections from which AIDS patients most commonly die, researchers said at another meeting in Florence.

The eventual promise of the experimental drugs is greater safety and options for many people with AIDS who cannot tolerate the standard treatments for the two common complications.

One is toxoplasmosis, a parasitic infection that often invades the brain to cause seizures. The other is a fungal infection of the respiratory system known as pneumocystis pneumonia, or PCP.

The drugs have been tested only in a few patients, and more studies are needed, said Dr. Henry Masur, of the National Institutes of Health in Bethesda, Maryland.

One problem is determining whether the drugs would be most effective when given alone or in combination with other drugs. Toxoplasmosis and PCP are known as opportunistic infections because they seldom cause serious disease in healthy people but can overwhelm an individual whose immune system is severely weakened.

Standard therapies are effective against toxoplasmosis and PCP, and their use against PCP has helped to extend the lives of many people who have AIDS or are infected with the HIV virus.

But researchers have sought newer treatments because many people develop blood system problems and other toxic effects. Also, many people cannot tolerate the rashes and other adverse effects from the standard treatments.

Such reactions can limit the usefulness of AZT, the drug used to slow the progression from the HIV virus to the disease, AIDS.

"We're looking not so much for more effective drugs but ones that are less toxic," Dr. Masur said at a meeting of the International AIDS Therapy Group. The meeting was held in advance of the AIDS conference.

The hope expressed at the meeting is that if the drugs continue to show fewer adverse effects in larger studies, they can be used more effectively in combination with AZT and other drugs.

For toxoplasmosis, the standard treatment is a combination of two drugs, pyrimethamine and sulfadiazine, that has been used since the 1950s. But until recently, individuals "who could not tolerate the combination were out of luck," Dr. Mazur said.

Small studies have hinted that a class of antibiotics known as the macrolides might be useful for toxoplasmosis. Among the antibiotics being tested for toxoplasmosis are those known as Azithromycin, Clarithromycin, Roxithromycin and Spiramycin, Dr. Masur said. None are licensed in the United States.

Another drug holding promise for toxoplasmosis is known as BW566C80. It was originally developed to treat malaria.

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Minority Hiring: The FBI's Fine Line

By Sharon LaFraniere
Washington Post Service

WASHINGTON — In his three and a half years as FBI director, William S. Sessions has picked his way through a minefield of racial resentments in hopes of erasing his agency's legacy of discrimination.

Over the objections of many white officials of the Federal Bureau of Investigation, he decided not to appeal a federal judge's ruling that the bureau discriminated against Hispanic agents. He settled another suit brought by a black agent who suffered racial threats. This spring, he began investigating whether black agents are routinely denied promotions.

But in the last two weeks, Mr. Sessions has come face to face with what may be the most trying aspect of his whole ordeal: the need to reconcile his efforts to hire and promote more minorities with the administration policies.

The challenge is to reconcile Sessions' efforts to hire and promote more minorities with administration policies.

Emboldened by President George Bush's campaign against "unfair job preferences," some white agents are challenging what they see as special treatment of minority and female job applicants. While Mr. Bush threatens to veto the Democrats' civil-rights bill on the basis that it would lead to quotas, the agents claim the FBI is applying quotas itself — reserving one-quarter of the spots in each new class of agents for minorities and another quarter for women.

While Mr. Bush insists that legislation must leave employers free to hire the most qualified applicant, these agents claim that the FBI lowers the minimum test and interview scores for minority and female applicants to fill quotas.

At two FBI field offices last week, agents gathered to discuss the dispute. At a lunch-hour meeting of the Washington chapter of the agents' professional association, about 200 agents cast ballots on resolutions against racial and sexual quotas and goals in hiring or promotion. The results are not yet available. Agents in Miami held a similar meeting.

The FBI announced Friday it was reviewing its hiring policies, with the help of the Justice Department's Civil Rights Division. Deputy Attorney General William P. Barr said the department wanted "to ensure that the bureau's hiring policy is consistent with both the law and the department's policy."

At the same time, the bureau took steps to remove the issue from the public spotlight. Requests for information about hiring and promotion policies were turned down.

For Mr. Sessions, a quiet-mannered former federal judge, the growing outcry from white agents complicates the racial conundrum before him. The white agents are complaining about the hiring system mainly because they fear he will build racial preferences into the promotion system, making it harder for them to advance.

But if he does not alter promotion policies, Mr. Sessions risks a class-action suit from blacks and another legal determination that the bureau systematically discriminates against minorities.

Both black and white agents claim promotions depend too much on what some agents call "the hook" — a combination of personal loyalties and subjective assessments.

The bureau's black agents contend the old-boy network hurts them more, because there is only a handful of minorities in supervisory or management positions. Only one of the more than 55 field offices is headed by a black. Another is headed by a Hispanic who won a discrimination suit.

"If we were all treated fairly and objectively, we wouldn't have to do all this," said a senior FBI official who believes black agents' complaints are justified. "But white people don't see a problem."

In an initial list given to Mr. Sessions, a group of the bureau's 468 black agents cited 19 concerns about promotions and assignments. Among them: Jobs are filled before the openings are announced. Job descriptions are tailored for a specific individual. Black agents receive disproportionately lower performance reviews and assessments of their potential for management. Black agents are routinely left out of "blue chip" or high-profile investigations. And black agents are routed to urban areas.

David Shaffer, an attorney who represents the black agents on a pro-bono basis, and Joe Sellers, of the Washington Lawyers Committee for Civil Rights Under Law, are analyzing FBI records for statistical support for the black agents' allegations.

While they do not know what remedies they might seek, Mr. Shaffer said: "These black agents don't want any special favors. They want to make their own way just like everyone else."

But some whites fear special favors are what Mr. Sessions has in mind. "Previously it was only hiring, and people didn't care because it was going on below them," said a white agent. "But under Sessions it's going to involve promotions."

For Mr. Sessions, the FBI's success in hiring minority and female agents has been a point of pride. Although the bureau is still overwhelmingly composed of white men, 10 percent of its agents are women, 4.7 percent are black and 5.3 percent are Hispanic. Last year, 19 percent of agents hired were classified as minority and 20 percent were women.

Meanwhile, some agents are calling on the bureau to revise its hiring policies, saying they fly in the face of Mr. Bush's philosophy.

According to James Perez, the FBI's equal-opportunity officer, the minimum passing score on a written test is three points lower for minority and female applicants than it is for white males with no special qualifications, such as a law or accounting degree.

Other agents contend that female and minority applicants get a two-point boost on interviews, allowing them an advantage of 5 points out of 100 over white males with no special qualifications.

"It's a quota system," said Hugo A. Rodriguez, a former agent who served as an applicant recruiter for the FBI for five years.

Soviets Thwart Hijacking

Reuters

MOSCOW — Three hijackers were arrested after trying to divert a Soviet airliner on an internal flight to Turkey on Monday, Tass said. Brandishing a packet — which turned out to contain a bar of soap — and a knife, they threatened to blow up the Tu-154 plane shortly after takeoff, but the crew continued the flight.

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Ulster Talks Begin As Australian Gets The Chairmanship

By Steven Prokesch
New York Times Service

LONDON — After seven weeks of wrangling over procedural issues, leaders of four Northern Irish parties Monday began negotiations aimed at agreeing on a form of regional government for the British province, which has been largely ruled from London since 1972 because of sectarian strife.

The talks began in Belfast after the politicians agreed to the selection of Sir Ninian M. Stephen, a prominent Australian judge who has championed the plight of Aborigines, as chairman of an envisioned second phase of the talks.

The main issues that have held up the talks involved the selection of both the location and an impartial chairman for planned negotiations between leaders of the Irish Republic and Northern Ireland on future relations.

These talks would be held only if the Ulster politicians reach an agreement on a form of regional government. After the second phase, talks between the British and Irish governments would be held.

There has been a rash of terrorist attacks in recent weeks. Many were carried out by the Irish Republican Army, three of whose members were killed recently by British security forces in an ambush.

In Belfast on Monday, masked gunmen suspected of belonging to the IRA, which is trying to force the British out of Northern Ireland, shot and killed a part-time soldier in the British Army's Ulster Defense Regiment. That pushed this year's death toll in the province from "the troubles" to 37.

The latest killing followed the wounding of a Catholic man in Belfast on Sunday. The shooting was the first for which the Ulster Volunteer Force has taken responsibility since Protestant terrorist groups began a cease-fire April 30.

This violence seems to have increased the resolve of most Northern Irish politicians to clear away the procedural obstacles and get on with the talks. They previously agreed that the North-South talks would begin in London, would then move to Belfast for substantive discussions and would conclude in Dublin. Monday, they accepted the British and Irish governments' nomination of Sir Ninian, 68, to lead the second phase of the talks. Unionists had earlier rejected the nomination of Lord Carrington, a former British cabinet minister, arguing he might sell them out.

The Irish and British governments chose Sir Ninian from a list of more than 30 candidates. People familiar with the choice said his virtues were his "complete independence" and his stature and experience in dealing with complex constitutional issues.

The last to accept him was the Reverend Ian Paisley, leader of the Democratic Unionists. His party and the larger Ulster Unionists represent most of Northern Ireland's 900,000 Protestants and want the province to remain part of the United Kingdom. The start of the talks at first looked in doubt Monday, when Mr. Paisley left the Parliament building in the Belfast suburb of Stormont to get more information on Sir Ninian. Apparently satisfied, he returned an hour later, and the roundtable negotiations, the first in the province since the mid-1970s, began at 12:52 P.M.

The Northern Irish parties taking part in the talks are: the Ulster Unionists and the Democratic Unionists; the Social Democratic and Labor Party, which represents most of the province's 600,000 Catholics and which seeks the unification of Ireland through peaceful means; and the Alliance Party, a small nonsectarian party that is expected to side mostly with the Social Democrats.

Sinn Fein, the IRA's political arm, represents 35 percent of Northern Ireland's Catholics, but has been excluded from the talks because it refuses to renounce violence.

Peter Reins/The Associated Press

Toasting the treaty are, from left, Foreign Minister Krzysztof Skubiszewski and Mr. Bielecki of Poland, and Mr. Kohl, Mr. Brandt and Mr. Genscher of Germany.

TREATY: *Poles and Germans Sign an Agreement on Borders and Minority Rights*

(Continued from page 1)

attacked Polish visitors, vandalizing buses and beating shoppers.

Despite the continuing tensions, the two governments put on their happiest faces here, proclaiming the treaty to be the first concrete step in the creation of the "common European house" sought by President Mikhail S. Gorbachev.

In the lengthy document, signed 52 years after German troops destroyed Polish independence, Poland promises to protect the rights of its 500,000 ethnic Germans to speak their own language and maintain their own traditions.

In exchange, Germany pledges to support Poland's bids to join the European Community and win relief from its crushing foreign debt.

Bonn also accepts the Oder-Neisse line, the postwar border between East Germany and Poland that West Germany refused to recognize legally for 45 years. Mr. Kohl's refusal to recognize the border and so anger his country's right wing voters created one of the few wrinkles in the German reunification process and strained relations with Warsaw throughout 1990.

But Monday, there were few references to that difficult period. Instead, Foreign Minister Hans-Dietrich Genscher called the agreement "one of the most meaningful that Germany has signed since World War II."

German diplomats said they hoped to create an alliance with Poland similar to the relationship achieved with France.

Mr. Kohl and Mr. Bielecki signed a joint environmental pact and established youth exchanges and joint environmental and border commissions.

"Probably never in their long common history have Poles and Germans been so close and so confident about the future," Mr. Bielecki said. "We must be able to live with the past, even the most painful and tragic, but out of that, we must also draw the right conclusions."

Mr. Kohl called on Germans who oppose the treaty to leave their longing for lost lands behind and accept reality.

"We have shown with our western neighbor France how nations can clear away the debris of a disastrous past and become close friends," he said.

But both the Christian Social Union, the Bavarian component of Mr. Kohl's governing coalition, and Germany's influential groups of "exiles" from formerly German Poland criticized the new agreement.

They also demanded that Warsaw allow its ethnic German population dual citizenship, let Germans settle in Poland, and adopt an official policy of bilingualism for German areas.

APARTHEID: *Race Law Lifted*

(Continued from page 1)

right-wing politicians and agitators."

The watershed vote leaves South Africa without a statutory justification of apartheid for the first time since the ruling National Party came to power in 1948, though other vestiges, notably the disenfranchisement of blacks, remain.

The Population Registration Act, which brought South Africa notoriety, established four compulsory racial categories — white, mixed-race, ethnic Asian and black — for all South Africans. The mixed-race category, called colored, was expanded to include bureaucratic variations.

White officials devised quasi-scientific tests to determine the race of South Africans, such as examining eyelids, gums, nostrils, fingernails and even the bare buttocks of newborn infants.

The outcome determined whether people could vote or own land, where they could live, eat, work and relax and whom they could legally love and marry.

Up to 3.5 million people lost their homes as part of the government's grand design of preserving racial purity through geographical segregation. Some lost their spouses and families when they were classified as belonging to a different race.

The end of racial classification has already applied to children born since Feb. 1, 1990, when President de Klerk promised to repeal the law.

But the government is maintaining three segregated voters' rolls for Parliament, which has a dominant chamber for whites and two lesser chambers for those of mixed-race and Indian descent but none for blacks.

Mr. de Klerk rebutted allegations that temporary legislative measures introduced to keep Parliament functioning when the Population Registration Act disappeared were an attempt to perpetuate racism in another guise.

GIRLS: *In Rural China, a Growing Mystery About Lost Children*

(Continued from page 1)

boys, while one in 1987 found 110.5.

All around the world, male births outnumber female births, but in China the gap is suspiciously large. In countries with good statistics — and where female infanticide is not considered an issue — the ratio is constant at about 105 or 106 boys to 100 girls.

If the true ratio at birth in China is about 105.5 boys to 100 girls, but so many girls were not reported that the official ratio jumped to 111.3, then something happened to more than 600,000 infant girls last year alone.

Chinese officials sometimes dispute such calculations, and suggest that it is a bit arrogant for Westerners to claim that birth ratios of 105 or 106 to 100 are universally valid.

Yet, there is considerable evidence that China, too, has a natural sex ratio at birth of between 104 and 106 males for every 100 females. The sex ratio for newborn infants in the 1964 census was 103.8 to 100, and in the 1953 census it was 104.9. It was beginning with the 1982 census, after the one-child policy was implemented, that the figure surged.

Moreover, even now, for first-born infants, China has a fairly normal sex ratio of about 106 to 100. It is only the second-born, third-born, fourth-born, and fifth-born infants that are disproportionately male. Among fifth-born children, the ratio is more than 125 males to 100 females.

Presumably this is because couples will accept a daughter if she is their first child, because they expect that they can find a way legally or illegally to have another child.

With later births, parents may feel that this is their last opportunity to have a son. In addition, they know that they may well be fined heavily if they flout the policy and raise the child, while if they declare that it is stillborn, they will not get in trouble.

There are various ways to evade the fines. Some evidence suggests that many of the missing girls are informally given up for adoption.

They are not registered at birth but are left bundled on the doorstep of an official or someone else who will take care of the infant.

Two Swedish experts working in conjunction with a Chinese demographer concluded recently on the basis of an extensive survey that up to half of the 500,000 infant girls who go missing each year are in fact adopted informally. Some villagers confirm that this is a common course for households that have unauthorized pregnancies and give birth to girls.

A second possible explanation is that parents, unwilling to pay fines for their daughters, send the infants to be raised by relatives in other areas. A third possibility, in areas where supervision is lax, is that parents simply raise their daughters at home without registering them.

Of course, a fourth alternative is infanticide.

Most Chinese — including those who are critical of the government — say they believe that infanticide is uncommon, but with as large a population base as China's, even a tiny proportion of infanticides would equal a large number of killings.

If there are killings, they apparently take place primarily in remote villages, like Daijiawan, where women give birth at home and the midwife is a neighbor and probably a relative.

In these villages, there are no police stations or autopsies, and babies are quietly buried without anyone taking a close look.

Zeng Yi, a Chinese demographer, argues that the missing girls are hidden rather than killed, except in rare cases that do not affect the overall statistics.

One indication that some of the missing girls are merely hidden is that population surveys have sometimes found more five-year-old girls than there were female births registered five years earlier. That presumably means that they were hidden from the authorities at earlier ages.

The latest census data arguably support that hypothesis. While the sex ratio for newborn infants was a highly abnormal 111.3 to 100, it dropped to about 108 for toddlers and declined further to 107 for elementary school-age children.

"At a young age, the girls are hidden," Zeng said. "Then, when they grow up, they are reported, perhaps because they go to school."

Judith Banister, the chief of the China Branch of the United States Census Bureau, said various alternatives are possible, but she emphasized the uncertainty of the data and of the explanations.

"We really can't get a handle on what is going on," she said, referring to the abnormal sex ratios. "You just don't know if all those girls are still there but are just not reported, or if they are all killed, or anything in between."

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Commons Jabs at Cresson For Quotes on British Men

Reuters

LONDON — An interview in which Prime Minister Edith Cresson of France is quoted as having said four years ago that a quarter of American, British and German men were homosexuals was lampooned Monday in the House of Commons.

"Mrs. Cresson has sought to insult the virility of the British male because the last time she was in London she did not get enough admiring glances," a Conservative member of Parliament, Tony Marlow, said to peals of laughter. "I wanted to put down a motion saying 'This house does not fancy elderly French women' but was told this was out of order," he added.

A Cresson aide said in Paris that the interview, published Sunday by the newspaper The Observer, was "a fake." "Madame Cresson does not recall meeting this person," he said, referring to the author, Naim Attallah.

Mr. Attallah said he had obtained the interview when working on a book on women. "I have the tape, the date, the hour and the place," he said, adding that the conversation had been in French.

In response to a suggestion that in Anglo-Saxon countries men preferred the company of men, Mrs. Cresson was quoted as having said: "Yes, but the majority of these men are homosexual — perhaps not the majority — but in the U.S.A. there are already 25 percent of them and in England and Germany it is much the same. You cannot imagine it in the history of France."

INDIA: *Congress Party's Search*

(Continued from page 1)

vote and without a natural heir to the leadership, turned to his widow, Sonia Gandhi, to ask her to take over. Mrs. Gandhi's rejection forced the party to turn to an ailing, 70-year-old Brahmin, P. V. Narasimha Rao, who had faithfully served under Mr. Gandhi as well as his mother, Indira Gandhi.

Mr. Rao has made it plain that, as party leader, he expected to serve as prime minister, despite criticism even within the party that he is ill-suited for the formidable task because of a heart condition, an unspectacular record, and the lack of a political base.

Ranged against Mr. Rao are several influential party leaders. These include Sharad Pawar, the tough, pragmatic chief minister of Maharashtra, which includes Bombay, India's business center; Arjun Singh, the Congress Party chief in the state of Madhya Pradesh, where the party performed surprisingly well; N.D. Tiwari, the Congress Party leader in Uttar Pradesh; and Madhavrao Scindia, a youthful, ambitious, Oxford-trained maharajah whose royal roots work against him in the ostensibly socialist Congress Party.

At immediate issue in the meeting, Congress Party officials said, was whether the selection should be made by a secret ballot or a show of hands. A show of hands would probably favor Mr. Rao.

Mr. Pawar, the Bombay-based minister, who flew to New Delhi on Monday to spend the day in private discussions with party leaders, is the chief rival to Mr. Rao. Supporters of Mr. Pawar favor a closed ballot because, they feel, some in the party support the politician but do not want to defy the associates of Mr. Gandhi or other party leaders.

As its leaders met to discuss the leadership issue, the party also began negotiating with other groups to shape a coalition that would form a new government.

Officials of several parties said that the Congress Party had begun talks Sunday with Janata Dal, which led the effort to drive the party out of power in 1989. Janata Dal is the leader of a "national front" alliance of smaller parties that has championed "social justice," especially affirmative action for lower-caste Indians.

BUSH: *Gorbachev Letter*

(Continued from page 1)

addition to this. I really want to have it."

Mr. Bush had been hoping to meet with Mr. Gorbachev in the Soviet Union during the last week of June. Before this letter arrived, administration officials said slow progress on the arms treaty and scheduling difficulties made a meeting unlikely before fall.

The letter was one of two that Mr. Bush received from Mr. Gorbachev this weekend. In the other, Mr. Gorbachev thanked Mr. Bush for his decision last week to approve $1.5 billion in U.S.-guaranteed loans so that the Soviets may buy American grain.

On Thursday, Mr. Bush is to meet with Boris N. Yeltsin, the newly elected head of the Russian Republic, who is pressuring Mr. Gorbachev for radical changes in the Soviet system.

Mr. Bush is expected to see Mr. Gorbachev next month in London, where the Soviet leader will describe to the leaders of the seven major industrialized nations his plans to transform the Soviet economy into a free-market system. Mr. Gorbachev is looking to the West for financial assistance in that effort.

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Algeria To Defy Islamists

Women to Serve In New Cabinet

By Youssef M. Ibrahim
New York Times Service

PARIS — A new Algerian government selected by Prime Minister Sid Ahmed Ghozali will include two women in ministerial positions, a move that constitutes an unambiguous challenge to Islamic fundamentalists, according to Algerian officials.

The officials said they expected the cabinet to be announced by Tuesday, almost two weeks after the resignation of the former government led by Prime Minister Mouloud Hamrouche in the face of mounting demonstrations and work stoppages inspired by the fundamentalists. The army was called in to stop the violence and martial law installed.

The fundamentalist opposition to the regime of President Chadli Bendjedid, largely represented by the Islamic Salvation Front, or FIS, has also extracted a promise from the government to hold both parliamentary and presidential elections this year.

In return for this pledge, the leading figure among the fundamentalists, Abassi Madani, called upon his followers to end the campaign of strikes and violent demonstrations that began May 25.

The choice of the cabinet, officials said, ends deliberations by Mr. Ghozali that appeared to have settled on a transitional government that will mount a strong challenge to the Islamic fundamentalists and not content itself only with economic and political change.

Among other things, officials said, Mr. Ghozali will revive the ministries of information, culture and veteran affairs. In the past, these ministries have been important strongholds of the governing National Liberation Front, the FLN, which has governed Algeria since it won independence from France in 1962.

The National Liberation Front had sought to keep a lower profile during the past year after it lost municipal and local elections to the candidates of the Islamic Salvation Front. The previous government of Mr. Hamrouche, which was dissolved by the president, tried to reduce the prominent role played by the National Liberation Front.

But the dimension and the scope of the Islamic fundamentalist movement led by Mr. Madani and the demonstrations organized against the government appeared to have convinced the Algerian government that a new policy of aggressive management and alliances with secularists are necessary to surmount the fundamentalist challenge and avoid an army coup.

"This is is not going to be a mere government of transition," an Algerian diplomat said. "It is a very activist government that means to pave the way toward a victory of secularists in the elections and to take on" the Islamic Salvation Front, he said.

MOSCOW: *Rift Over Plan*

(Continued from page 1)

seeking private foreign investment, instead of Western credits or loans, as it moves toward a market economy at whatever speed.

He also disclosed that that the Soviet Union's foreign debts had been reduced from 34 billion rubles last winter to 30 billion rubles by May.

The prime minister said that the Soviet economy might have bottomed out, with average daily production in April and May reported as 6.6 percent lower than a year earlier but not sinking any further.

Mr. Pavlov asked for expanded decision-making powers and the right for the government to initiate legislation to take measures to cope with the crisis, much as Mr. Gorbachev and Mr. Yeltsin have done — so far with little to show for it.

The prime minister said that the Soviet budget deficit had soared to 39 billion rubles, the equivalent of $25 billion at the commercial rate of exchange, during the first five months of this year.

Last year the deficit was 100 billion rubles, but Mr. Pavlov said the anti-alcoholism program that Mr. Gorbachev undertook in 1985 had cost the country 200 billion rubles.

Mr. Yavlinsky returned to Moscow from Cambridge, Massachusetts, over the weekend with his plan, which would focus in the short run on making the ruble convertible, privatizing small enterprises and getting the deficit under control.

Large-scale privatization of state enterprises, the establishment of financial and securities markets, and expansion of consumer goods and service would take place in phases.

Mr. Gorbachev spent much of Monday at his dacha with leaders of 9 of the 15 Soviet republics to work out the final details of a treaty spelling out the legal, economic and fiscal powers of the Soviet republics and the union government that, he said, could be signed by next month. Mr. Yavlinsky was also present, according to one of his associates.

Mr. Yeltsin, president of the Russian Republic, the largest, was strengthened by winning the first popular election in Russian history.

He leaves Tuesday for Washington, where he will be received by President Bush in the White House.

Algeria To Defy Islamists

Women to Serve In New Cabine

MOSCOW:

Navy Task Force Speeds Evacuation From Philippines

By William Branigin
Washington Post Service

MANILA — An American armada headed by the U.S. Navy's newest aircraft carrier picked up 5,000 Americans from an ash-covered naval base on Monday as a Philippine volcano continued to erupt, though at a much lower intensity than a series of devastating weekend explosions.

The rescue came as the death toll from the eruptions of Mount Pinatubo, combined with a series of earthquakes and torrential rains, rose to more than 200, according to the Philippines' RPN television network. The government, struggling to cope with more than 100,000 refugees from the calamity, estimates damage to property and crops at $200 million.

The nuclear-powered carrier Abraham Lincoln and five accompanying vessels picked up the dependents of U.S. Air Force personnel from Subic Bay Naval Base, where they were evacuated a week ago, and sailed for the central Philippine island of Cebu, an 18-hour voyage, U.S. officials said.

The first 800 evacuees, who left Subic aboard three ships Sunday, were flown to Guam on Monday on Air Force transport planes, a U.S. Embassy spokesman said.

The carrier battle group, which was on its way to the Gulf, was diverted to Subic as part of a plan to evacuate all of the more than 20,000 dependents of American servicemen assigned to Subic and Clark Air Base.

Many of the Abraham Lincoln's planes were flown off the carrier before it arrived on Monday to make room on the hangar deck for some of the more than 3,000 people it picked up, said Lieutenant Commander Kevin Mukri, a navy spokesman.

After spending the last three days at Subic with little water or electricity, the Americans are "tired, dirty and ready to go home," he said. "It's not going to be luxury cruise standards, but they'll get there safely." Most are to be flown out of Cebu on chartered planes.

[The United States dispatched a second aircraft carrier to help with the evacuation, Reuters reported Monday from Washington.

[The Pentagon said the carrier Midway had left its base at Yokosuka, Japan, for the Philippines.]

Manila's domestic and international airports remained closed to traffic on Monday as workers tried to clear up to three inches of sandy ash off the runways.

Foreign airlines insisted that all the ash at Ninoy Aquino International Airport be completely removed because of the danger it poses to aircraft engines.

The Philippine Institute of Volcanology and Seismology said it recorded only "minor ash emissions" Monday from Mount Pinatubo, located 90 kilometers (55 miles) north of the capital and 15 kilometers west of Clark Air Base.

Blown by tropical storm winds, ash from the volcano is reported to have fallen as far away as Bangkok. But the formation of a large crater from the collapse of Pinatubo's summit over the weekend did not produce the disastrous eruptions or landslides that the institute had feared.

"We have reason to believe that significant, critical eruptions are probably over," said Ronaldo Arboleda, a geologist at the institute.

American authorities, however, are taking no chances. They said the evacuation of dependents would go ahead despite what the institute calls the "simmering down" of the volcano.

Ambassador Nicholas Platt and aides flew over Clark in a helicopter on Monday and got a close view of the volcano's vents, which were still puffing ash.

"It looks angry. It looks mean. It doesn't look a bit settled," said a diplomat who was on the trip. "This is still an unstable volcano. It's still venting ash and is expected to do so for some time."

He said the decision to evacuate the dependents was made in part because of the huge task of the cleanup job ahead at Clark and Subic, parts of which are under more than a foot of volcanic ash. When wet, the ash has the consistency of wet cement, the diplomat said, and when dry, it swirls in the wind like a dust storm, stinging eyes and fouling machinery.

Several-dozen buildings at Clark and more than 100 at Subic collapsed under the weight of rain-soaked ash and the jolts of a series of earthquakes. Fatalities at Subic included a 9-year-old daughter of a U.S. Air Force sergeant and the child of a Filipino base employee.

The casualties were far higher around the bases in Philippine towns and villages, some of whose officials and residents took the volcano's threat lightly. But while newspapers in Manila ridiculed the Americans for "panicking" when they evacuated Clark five days before the major eruptions, the decision to withdraw about 14,500 people and all the base's aircraft looked like a good strategy in hindsight.

About 1,500 U.S. Air Force security personnel moved back into Clark on Monday to help guard it against looters, officials said. A U.S. Embassy spokesman reported "some theft" at the installation, but provided no details.

Residents of the adjacent city of Angeles said a number of homes were raided by looters after people fled over the weekend.

Survivors Recall Pinatubo's Fury

By Philip Shenon
New York Times Service

ANGELES, Philippines — Beby Tolentino recalled Monday crossing herself and frantically bringing her hands together in prayer as the mud slide began to carry off her neighborhood church.

"People think that maybe God was trying to punish us," said Mrs. Tolentino, her hands and face coated with the talc-like volcanic ash that has saturated the air since last week's deadly eruptions of Mount Pinatubo. "I hope it was not God."

Her neighborhood was leveled. The Tolentinos and 100 other impoverished families along the Albacan River in Angeles, a city of 280,000 people in Pampanga Province in the shadow of Pinatubo, lost their homes last Saturday in mud slides and floods brought on by the eruptions.

One neighbor, an elderly man, drowned in the torrent of thick volcanic ash and rainwater.

Because of impassable roads and downed telephone lines, it was still impossible Monday to determine the full extent of the damage done to this struggling nation by the eruptions of Mount Pinatubo.

Hundreds of people across the central Philippine island of Luzon were reported to be missing.

Rescue workers said residents of several remote villages in Zambales Province, south of the volcano, had been trapped without electricity or adequate supplies of food and water.

The exodus of families fleeing the volcano continued Monday, as buses and trucks caked with gray ash jammed roads leading into Manila, about 80 kilometers south of the volcano. The Philippine government has set up more than 100 makeshift shelters in churches, schools, army camps and gymnasiums in the capital.

For most Filipinos fleeing the volcano, the journey to safety was neither orderly nor easy.

"We have nothing except the clothes we are wearing," said Solidad Santiago, a laundress from Angeles, who fled to a Manila evacuation center Sunday with most — but, as she worriedly explained, not all — of her family.

"Our house collapsed because of the volcano," said Mrs. Santiago, a widow whose face was deeply lined from what she said was the wrenching fear of the last week. "My oldest son stayed behind to try to guard our possessions."

"He should be here by now," she said. "I have gone on the public address system here and called his name, but there is never any response. I am very concerned. I pray he is safe."

Mrs. Santiago and her family were among nearly 5,000 refugees who crowded into the shaded bleachers of a Manila sports stadium that was serving as an evacuation center.

Half-naked children paraded up and down the concrete steps of the stadium as their weary parents tried somehow to make bedding from donated fabric. Clothes had been set out to dry on the grassy playing field.

The evacuees were provided with food, mostly sausages, rice and crackers, donated by local businesses.

"We have lost everything, but still I am happy — happy to be here," said Romayo Garcia, a mason whose home near Clark Air Base, an American base about 15 kilometers east of Mount Pinatubo, had collapsed from the weight of volcanic ash.

Mr. Garcia offered a typical account of the frightening hours that followed a major eruption Friday afternoon.

"When Mount Pinatubo erupted, it was like an atomic bomb had gone off," said Mr. Garcia, speaking in Tagalog, the native Philippine language. "It became dark, like nighttime, from the cloud of ash. And then the sand and stones began to rain down on us."

"The rocks were as big as this," he said, bringing together his thumbs and index fingers to make a circle about 13 centimeters (five inches) in diameter. "It was impossible to walk. People panicked. We had to find a way to get out."

Mr. Garcia said he and several members of his family had trudged nearly 20 miles through ankle-deep ash until they found a truck driver willing to escort them to Manila.

WHAT BANKRUPTS NATIONS, DESTROYS THE ENVIRONMENT, SPREADS HUNGER AND DISEASE, AND CREATES MILLIONS OF REFUGEES?

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OPINION

Slogging On in Cambodia

The latest Cambodia peace push, in Jakarta, ended in a mood heavily colored by recrimination and pessimism. It is evident that the United Nations peace plan arranged last summer is still having great trouble getting off the ground. Approved by the five permanent members of the Security Council, the plan would vest formal sovereignty in a new body including the rival Cambodian parties while the United Nations temporarily takes over, enforces a cease-fire and runs elections. No one wants to bear the onus of upsetting the UN plan, but the plan barely lives.

The fact is that the Communist, Vietnam-seated Cambodian government of Hun Sen enjoys power and is reluctant to yield it to a UN experiment from which, it fears, only its arch-rivals, the Communist, China-supported Khmer Rouge, will profit. Hun Sen's evident strategy is to load up the UN plan with conditions that make it hard for the Khmer Rouge to stay aboard. Meanwhile, he courts Prince Norodom Sihanouk, the nationalist father figure who is otherwise part of the resistance against him. He also courts the body of international opinion whose view of Cambodia centers on the terrible Khmer Rouge genocide of the 1970s.

But there are serious problems with quietly swinging support toward Hun Sen, as some who despair of seeing the UN plan put into effect commend. For all his current anti-Khmer Rouge credentials, Hun Sen is himself a former Khmer Rouge commander whom many Cambodians identify with Vietnam, which put him in power. Anti-Vietnamese nationalism generates the otherwise hated Khmer Rouge's not inconsiderable political appeal. Not even the changeable Prince Sihanouk can lightly jilt his Khmer Rouge resistance partners for a Hun Sen Cambodian regime associated by many with the country's traditional Vietnamese foe.

Hun Sen would freeze out the Khmer Rouge. But that would leave this dread faction with no incentive to respect the UN plan and able militarily to undermine it. However remote it seems now, the UN plan offers a hope of domesticating the Khmer Rouge by forcing them into electoral competition. There should be ways to touch up that plan — by edging Pol Pot and other egregious symbols of Khmer Rouge evil into Chinese exile, for instance, or by arranging a mutual slowdown in foreigners' supply of arms. Those who stood by at the Cambodian genocide owe it to the survivors to stay engaged in the country's fate.

— THE WASHINGTON POST.

Abortion and Foreign Aid

In a pair of back-to-back votes this past week, the House of Representatives defeated two administration initiatives designed to restrict U.S. funding of population programs abroad. The actions are a reminder that there is strong opposition in Congress to cutting back on family planning efforts because of the connection with abortion. That has become more apparent since the Supreme Court's recent decision upholding restrictions on the use of federal money at home. These House votes on the foreign aid authorization bill demonstrate that there is little support for hamstringing U.S. programs abroad, either.

America was once the leading supporter of the United Nations Population Fund, providing 20 percent of that organization's budget. When he was the American representative at the United Nations, and later as ambassador to China, George Bush was effusive in his praise of this international work. But in 1986 the United States cut off all funds to the agency in protest against UN assistance to population programs in China. While it is charged that the Chinese promote forced abortions and sterilizations and even encourage infanticide, the small UN program was only used for computers, demographic research and training programs.

The United States reprogrammed the money it used to contribute to the UN agency and spends it on other family planning programs abroad. But the bilateral assistance does not reach about 30 of the poorest countries, most of them in Africa. The effect of the policy decision therefore was to diminish the funds available for these countries without hurting China in any way. The House has now voted, by the surprisingly wide margin of 234 to 188, to resume participation in the international program, providing that no American funds go to China or are used so as to enable total assistance to China to be raised.

Then, on a vote of 222 to 200, the House also reversed the so-called Mexico City policy, which barred any nongovernment agency that provided any form of abortion service from participating in U.S.-funded family planning programs abroad. Thus, for example, charities operating in countries where abortion is legal could not receive U.S. assistance for a birth control clinic if information about abortion was also provided. The rule applied, as it does inside the United States, even if no U.S. money was used for any abortion-related service.

These victories on an authorization bill are encouraging and may be matched in the Senate, but there are still hurdles ahead. President Bush has threatened to veto any bill that lifts these restrictions. Perhaps he can be persuaded to review the worth of these programs he found so admirable 20 years ago. If not, the Supreme Court's action in validating similar restrictions at home should strengthen the resolve of the congressional majority to work its will.

— THE WASHINGTON POST.

Principled Policy Can Pay

Governor Mario Cuomo routinely vetoes bills that would allow the death penalty in New York State. He did so again last week. Yet the public does not seem to mind much. Why not? The answers send a message to politicians all over the United States.

America, after all, has become a place where politicians from the president on down rush to embrace the death penalty, apparently fearing the electorate's wrath if they don't. Yet Mr. Cuomo, who surely does not lack for critics on other issues these days, hears few complaints about his continuing opposition to capital punishment. How does he get away with that?

For one thing, even without engaging in knee-jerk rhetoric about the death penalty, he projects a reputation for toughness on crime. He has presided over the biggest prison construction program in state history. He accompanies his death-penalty vetoes with calls for sentences of life in prison with no chance for parole. He remains tightfisted with pardons and clemency.

The governor also credits the public with intelligence. However frightened ordinary citizens may be, they understand how tenuous are the links between infrequent executions, imposed for capital crimes years after the fact, and the day-to-day behavior of burglars and muggers. Mr. Cuomo's declaration that execution is a "politically expedient and simplistic answer" to street violence resonates with common sense.

Perhaps most important, people still seem to respect integrity, even if they disagree. Mr. Cuomo does not hide the moral basis for his stand. He cannot tolerate the thought of executing an innocent person, he says, and he considers "the ultimate act of vengeance in the name of the state" to be an insult to human dignity. Plenty of voters apparently still prefer that thoughtful attitude to cynical campaigns based on Willie Horton incidents or appeals for bloody revenge. Some would call Mr. Cuomo idealistic. Others might just call him shrewd.

— THE NEW YORK TIMES.

Other Comment

U.S.-Japanese Turbulence

Even before the end of the Cold War removed the common, and central, military threat to the United States and Japan, trade ties between them were under severe strain. There was a feeling in some American circles that Japan was essentially a mercantilist nation that benefited enormously from its access to Western markets while keeping its own market effectively closed to others. The Japanese disagreed politely. Such differences were kept in check because the Soviet Union loomed large over both countries. No sooner had the Soviet Union ceased to be the enemy it had been than U.S.-Japanese differences broke into the open with a vengeance.

Weary of repeated U.S. attacks on their economic and social practices, outspoken Japanese like the politician-author Shintaro Ishihara responded with the threat that their country could change the entire geopolitical structure by adopting policies detrimental to U.S. interests, such as selling microchips to the Soviet Union. Now two American writers have written "The Coming War With Japan," which predicts that Japan and the United States will fight over their economic and other differences. Almost simultaneously, there has appeared a report, allegedly commissioned by the CIA which warns that an amoral Jspan is out to dominate the world. These are admittedly extreme reactions, but their destructive power should not be dismissed. As long as trade disputes are seen as just that, they can be addressed through trade mechanisms. But when they lead to cultural demonization, they are harder to address. Slowly but distinctly, Americans are coming to see Japanese as the "other" people. Matters are not helped by the Japanese emphasis on cultural distinctiveness, an unspoken synonym for superiority.

On the sunny side, the U.S. and Japanese economies are so heavily invested in each other that war is all but inconceivable. Japanese capital helps run the U.S. economic system, while the availability of the U.S. market helps the Japanese make that capital.

The waning of the special U.S.-Japanese relationship would dramatically increase the chances of instability in the Asia-Pacific. Japan cannot but be affected by that as well. Such a scenario must be avoided, and it can be only if there is sufficient goodwill on both sides. There are times in the history of nations when statesmanship is not a luxury but a dire necessity. In both Japan and the United States, this is very much such a time.

— The Straits Times (Singapore).

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx RS56928 Mng. Dir. Asia, Rolf D. Kranzpühl, 50 Gloucester Rd., Hong Kong. Tel. 8610616. Telex: 61170 Mng. Dir. U.K., Garry Thorne, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009 Gen. Mgr. Germany: W. Lauerbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel. (069) 726755. Tlx 416721 Pres. U.S.: Michael Covarp, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex 427175 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

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Good-Bye Union, Hello Russia

By William Safire

WASHINGTON — On June 22, 1941 — 50 years ago this Saturday — Hitler's "Operation Barbarossa" began. Three million German troops invaded the Soviet Union. The "Great Patriotic War," as Communists like to call it, gave a temporary sense of nationhood to a far-flung collection of separate peoples who never were a nation.

Half a century later, that imperial unity is dissolved, defeated not by any invader but by the failure of its overextended tyranny. The Soviet "Union" is no more a union today than the British Empire is an empire.

In his meeting this week with President Yeltsin, President Bush should urge him on.

June 1991 is the month that historians may choose as the end of the unnatural union. Mikhail Gorbachev, last of the unionists, began this epochal month with a Nobel speech throwing his empire on the mercy of the world, whining that it was "entitled to expect large-scale support" and threatening that "a new peaceful period in history will vanish" if his demands for money to maintain the old order are not met.

Following that death rattle of an expiring system, the Russian people, for the first time in their long history, went to the polls to choose a leader. The election of the anti-Communist Boris Yeltsin proclaims the Russian acceptance of the dissolution of the bonds of empire, and the devolution of power to the various republics.

The Soviet "union" is now a fiction, its facade maintained by old party apparatchiks and KGB and Red Army bosses who know that with the end of the myth of homo sovieticus, "the new Soviet man," their power to do more than negotiate arms reductions will end.

The reality is Russia. The reality is eight other peoples who may be amenable to a loose association of sovereign states. The reality is three other republics and three Baltic nations that rightly consider themselves free and independent.

Is this breakup of the last imperial power good for the cause of freedom and conducive to peace? Not if you listen to State Department status-quo enthusiasts, America's Charles River Chicken Littles, its foreign policy establishment drawn up in vast, cumbrous array.

Their mantra is disintegration, as if the U.S.S.R. were still integrated or ought to be; they caution against dismemberment, as if Georgia and the Ukraine were arms of the Russian body; they warn of chaos, as if only the continuance of Moscow's old internal empire could avert anarchy.

If you buy their conclusion that the political realignment now on the march is headed not toward freedom but toward chaos, then you will find that their policy makes sense: The West should prop up the union, dole out money to encourage experiments with a market system and democracy, and thereby make certain that the nuclear missiles remain in responsible hands.

But what if that chaos assumption is wrong? What if the hard times and angry desire for great change now in crescendo are ameliorated by Western aid, and the Kremlin centralists are permitted to regain their authority? Once past the crisis, they can be depended upon to revert to type, and the West will once again confront an expansionist superpower.

Chaos-mongers forget that the driving force for productive change is pervasive disgust with the way things are in a Communist union. The only way to improvement must be a leap into capitalism — no more baby steps, no more hot air about phony reform, and no more vain hope that Western governments will come to the rescue.

The notion that other governments can solve their problem gives the Kremlin unionists' game away. They will never understand that relief cannot come from infusions of other governments' capital. The only investment massive enough to help must come from private enterprise willing to take risk to make a profit.

That investment will come only when Russia and the other freed countries embrace private property, let the currency become convertible and make profit possible in an atmosphere of freedom.

The Russian people, by their vote last week, have shown they will follow a politician in this direction. In his meeting this week with President Yeltsin, President Bush should urge him on; he should not undercut this Russian's unprecedented mandate with warnings against disunion.

Breaking up is hard to do, but it is necessary and right. Americans should not make it harder by holding out false hopes of a union bailout.

The New York Times.

Now Comes Yeltsin's Turn To Shake Up the System

By John Lough

SANDHURST, England — Boris Yeltsin's runaway victory in the Russian presidential election has brought to an abrupt end the mirage of tranquillity that cushioned Soviet politics in May and early June.

The fragile "nine plus one" compromise of April 23 between the central government and the largest republics suggested that the greater part of the Soviet Union could be kept together. By papering over some alarming cracks, it bought time, easing the pressure on the union government and the Yeltsin camp at a time when economic collapse had seemed close at hand.

He hopes to capitalize on the people's wrath to sweep hard-liners aside.

Now that the center's attempts to limit the scale of Mr. Yeltsin's victory have spectacularly failed, Mikhail Gorbachev and the union government seem likely to lose the balance of power, and the initiative.

Since his election a year ago as chairman of the Russian parliament, Mr. Yeltsin has championed Russia's need for a large measure of sovereignty. Though the Russian parliament has passed an array of laws to this end, a number of others, notably those on land reform, have been sabotaged at the local level.

This is one dimension of the "dual powerlessness" that has paralyzed efforts at controlled reform from above. While Mr. Gorbachev's decrees have been studiously disregarded, laws adopted by the Russian parliament have frequently been stymied by the Communist Party apparatus.

But Mr. Yeltsin's election as Russian president, with an emphatic majority, promises to end this inertia. Mr. Yeltsin has said that there must be elections for chairmen of the soviets, or councils, at all levels throughout the Russian Republic as soon as possible.

He hopes to capitalize on the people's wrath to sweep from power those apparatchiks in the provinces who still combine the posts of first party secretary and chairman of the local soviet. Only then, Mr. Yeltsin argues, will it be possible to implement Russian government policy.

Growing popular support for Mr. Yeltsin outside his urban strongholds may in fact bring down the old party satraps. Backing in the provinces for the Communist Party's main candidate for president, Nikolai Ryzhkov, seems to have been much less than expected, despite opposition on the collective and state farms to Mr. Yeltsin's program for the radical expansion of private agriculture.

Mr. Yeltsin says that he believes a union treaty binding the major republics can be concluded, but sticking points remain. These include taxation, the issuance of money, and the extent of the republics' rights to establish relations with foreign countries. Also at issue is the question of what influence Russia will have on the new union's security policy.

Now, with a direct mandate, Mr. Yeltsin may seek to up the ante in the deliberations over a union treaty, figuring that he can extract further concessions from the center. For all the apparent attempts at reconciliation between Mr. Yeltsin and Mr. Gorbachev, key differences persist.

One major source of conflict between the Russian and union governments is likely to be the pace and nature of the radical economic program put forward by the Russian prime minister, Ivan Silayev. This program is said to aim at a bold transition to the market without undue pain. It will mean giving factories far more independence in the short term, and resorting to a "kick-start" privatization program to set the economic revolution in motion.

State industries are increasingly seeking subordination to Russia rather than to the union. This will further undermine the power of the center to regain control of the economy.

Mr. Yeltsin has declared that defense plants in the Russian Republic (where the majority of them are located) must come under Russian control. Using market forces to break the defense plants' privileged supply network, this move could achieve real demilitarization of the Russian economy. It would then have hugely important implications for the development of a union (or Russian) army and the country's future ability to wage war.

What won the Russian presidency for Mr. Yeltsin was his ability to give people hope. For all the doubts voiced about the man and his capacities, he has, more than any rival, made people believe that he can lead them to a decisive break with the past. The vital question is how long he can sustain that trust.

In his year as chairman of the Russian parliament, Mr. Yeltsin has managed to hold on to his popularity, despite his powerlessness to improve living standards. Now, with his power and credibility reinforced, he can rekindle and harness the Russians' legendary penchant for self-sacrifice. This quality, above all, is the essential prerequisite for the rebirth of Russia.

The writer is a lecturer at the Soviet Studies Research Center, an independent academic organization based at the Royal Military Academy at Sandhurst. He contributed this comment, which in no way reflects any official position of the British Ministry of Defense, to the International Herald Tribune.

For America and Japan, the Pacific Is Shrinking

By T. R. Reid

This is the second of two articles.

TOKYO — Contrary to the gloomy scenarios of the revisionists, neither the United States nor Japan seems eager to abandon their bilateral alliance — despite competing offers.

When Mikhail Gorbachev came to Tokyo this spring to suggest a new, tri-polar U.S.-Japanese-Soviet alliance in the Pacific, the Japanese sent him packing. When Malaysia recently urged Japan to become the leader of a new Pacific trading bloc, Tokyo nixed that one, too.

The United States returned the favor when France's new prime minister called for a united Western effort against Japanese imports. One of the first to slap her down was the U.S. ambassador to the European Community.

There are a thousand points of heat in U.S.-Japanese trade, but the dynamic of these disputes is as familiar now as a television western or a samurai movie. One side — usually the United States these days — makes a complaint, the other side stews over it, negotiators meet, threats are exchanged, and gradually agreement is reached.

While the revisionists focus on the trade arguments, less attention is paid to the settlements. The most striking thing about U.S.-Japanese trade right now is not the number of disputes but the number that have been resolved. From satellites and citrus to semiconductors and supercomputers, from timber and turtle shells to telecommunications, deals have been struck, or soon will be.

The force that drives this relentless peacemaking is the same force that will make U.S.-Japanese relations continue to improve: the mutual awareness that the two economies, and the two countries, badly need one another.

The Japanese need America's market, its work force and the free-spirited creativity that Americans bring to technology and marketing. More important, they need American friendship. Since the end of World War II, Japan has had exactly one reliable friend on Earth. For policymakers in Tokyo, the prospect that Japan might lose its American friend, might be cast adrift in a largely hostile world, is the ultimate nightmare.

The United States, in turn, needs Japanese capital to finance industrial investment and to cover the national debt that we Americans are not willing to pay off ourselves. For American policymakers, the thought of losing Japanese investors is a pretty serious nightmare of its own.

America needs the products that Japan makes and it doesn't; without Japanese VCRs, American music companies could not sell videos. America needs Japanese technical skill; that is why American companies are setting up research arms in Japan these days. America needs the tourists; that is why you now see signs in Japanese at museums, hotels and resorts from Maine to Maui.

It needs the jobs; since 1988, according to Japanese government data, the number of Americans directly employed by Japanese-owned companies has increased by 50 percent, to 300,000. Mostly, those are industrial jobs that pay a lot better than hamburger-flipping.

The political and economic connections are drawing the two countries closer, and the smart politicians on both side understand that.

There are fringe figures in Tokyo who want Japan to say no to America. But the most striking political phenomenon these days is the parade of would-be prime ministers traveling to Washington for a handshake with George Bush — a political ticket that must be punched to get to the top.

There are figures in Washington who feel that they can score points by pummeling Japan. Meanwhile, the most popular American political figure by far, the man called the "opinion poll president," has been unfailingly friendly toward Japan. Could it be that once again George Bush knows something the Democrats don't?

What he knows is that the Pacific is shrinking. As the commercial and cultural ties between the United States and Japan increase, as more features of one country show up in the other, the two cultures are growing more and more alike.

The columnist Mike Royko wrote about that during the Gulf war. A neighbor got on his case because he didn't have a yellow ribbon tied to his Plymouth. Mr. Royko looked over and saw that the neighbor did have a patriotic ribbon — tied to the antenna of his Toyota. Like the Walkman, the Casio watch and Asahi Super Dry, the Toyota is such a normal aspect of the American landscape that the guy didn't even consider it foreign.

I had a similar experience not long ago when I visited the Nagashima family in their minuscule apartment in an NEC company housing complex west of Tokyo. Listening to a Whitney Houston tape and drinking Coke, I had a chat with Kayako Nagashima, 11. She was talking about her class field trip to Japan's favorite amusement park. A thought struck her, and she turned to me. "In America," she said, "do they have Disneyland?"

The Washington Post.

Americans Should Raise Their Sights to the Moon

By Charles Krauthammer

WASHINGTON — It took man 66 years to get from Kitty Hawk to the moon. In the 22 years since, man has gone nowhere. In fact, he has gone backward.

We can lament the disastrous post-Apollo decisions: abandoning the moon, putting all America's launch eggs in the shuttle, creating and discarding design after design for the space station. One might as well complain about solar wind.

The House Appropriations Committee recently voted to kill the proposed U.S. space station. Only furious lobbying, led by Richard Darman and Vice President Dan Quayle, restored it in the full House. But this came early in the budget cycle. The issue is only now joined. The issue is nothing less than the future of man in space. And the most efficient way to destroy the manned space program is to kill the space station.

What is wrong with the space station? Critics make three arguments:

The space station is stealing from pressing social needs. The $1.9 billion budgeted for next year is better spent on things like housing and veterans.

An old refrain: While there remains poverty and homelessness and disease, how can one countenance diversions of national energy on moon shots, supercolliders or, more recently, a war for Kuwait?

First, this is an argument against any great national venture, because the poor, or some equivalent pressing social problem, will always be with us. Second, many of the space station critics who insist that domestic problems be dealt with first are the same ones who criticize American business and government for having a short time horizon, for sacrificing the future to immediate payoffs, for destroying American competitiveness by spending today rather than investing for tomorrow. It is hard to think of a more important tomorrow than space. It is as much the key to the technological, geopolitical, indeed demographic future as were the oceans in 1492.

The space station is stealing from science. Scientists complain that manned space flight takes money from unmanned research, a more efficient way of producing knowledge.

The charge is (a) self-serving (these scientists invariably are engaged in unmanned research or some other fiscally afflicted branch of "purer" science), (b) true and (c) irrelevant. The point of sending men into space is not to gain scientific knowledge — knowledge is gained, but merely as a happy side effect — but because it is there. Roald Amundsen didn't go to the South Pole in 1911 for science. He went for adventure. The science followed. It certainly will follow man into space.

The moon landing was only incidentally about science. It was about man seeking his destiny. Anyone not moved by the idea of man venturing into the cosmos is, in my view, missing some basic faculty: the capacity to wonder, the desire to reach. It is as if a child of the Italian Renaissance could not understand how talented men could be wasting their time mixing pigment and painting frescoes when there were sewers to be dug.

For the cost of Apollo, America could have sent dozens of probes to the moon to learn much more than did the clumsy humans who left footprints in the dust. But it is those footprints that so captured the imagination — and that made ordinary people want to spend tax money on the venture. True, manned exploration takes money away from basic science. But basic science feeds off the political support generated by manned exploration.

If the unmanned researchers get their way and cut the manned program, they will have killed the golden goose. They may get a temporary boost in their share of space research, but they will soon find themselves squeezed out by cancer research and sewer repair.

There are better investments in manned exploration than a space station. Finally, a reasonable objection. Indeed, there are better, bolder ways to explore space. The Stafford commission on the future of space exploration, for example, has just issued a report endorsing a return to the moon and going on to Mars.

America needs a next step into space. It cannot keep sending the space shuttle for return bus runs into Earth orbit. And a moon base is the logical next step. It affords a magnificent platform for science and space industry. It is good training for Mars. And it begins the ultimate adventure: the colonization of another world.

The space station, redesigned so many times, has lost much of its constituency. And it looks as if it will be killed by Congress, if not quickly, then in the worst way, slowly and expensively over many years. So why not a bold new initiative? Embrace Stafford. Trade in the space station for a moon base.

Leave Earth to the nearsighted. Give our children the moon.

Washington Post Writers Group.

THE spaceship Magellan has pierced the cloudy veil of Venus with radar beams, and scientists at the Jet Propulsion Laboratory in Pasadena have recorded detailed pictures of more than 84 percent of the surface. So we now have a more complete map of Venus than of Earth, because only 29 percent of Earth's surface has been mapped in detail. The rest is beneath the oceans, most of it relatively uncharted. Many surprises on this hidden frontier await discovery. Is it not an indictment of America's national science policy that the study of Earth has lagged in some ways behind extraterrestrial exploration?

— Peter J. Wyllie, commenting in the Los Angeles Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Royal Quarrels

LONDON — The relations between Kaiser William II and the Prince of Wales have never been cordial, and the Kaiser has not forgiven his uncle for so warmly taking the part of the Empress Frederick in the family quarrels which scandalized Europe three years ago. The Emperor, therefore, has seized with delight upon the chance of snubbing his uncle by criticizing his conduct. In a letter to the Queen he has sharply censured the Prince's strange methods of dealing with an alleged offence against military honor.

1916: Russian Advance

PETROGRAD — The great Russian advance continues and there are indications of fresh progress from the Pripet to the Roumanian frontier. The great breach in the Austrian lines which began in the region of Lutsk is being rapidly enlarged and the movement of General Broussilov's armies in this sector threatens to envelop the enemy's flank. Furious fighting continues in the suburbs of Czernowitz, and the city is almost destroyed. Russian troops have enveloped the enemy in this area cutting off his communications with the main Austrian army.

1941: Germany Retorts

BERLIN — [From our New York edition:] Germany announced tonight [June 17] she was taking immediate "necessary measures" against American assets in the Reich, and lodged a "sharp protest" against the American order closing Nazi consulates. This was the specific reaction to President Roosevelt's order freezing German funds in the United States. Although there was no concrete indication of what the German measures would be, there was no hint of reprisals against American consulates in Germany. The Italian government retaliated to the American government's order freezing all Axis funds in the United States by taking similar action on American credits in Italy.

OPINION

Tell People the Problems So They Can Solve Them

By David S. Broder

WASHINGTON — In the world of Capitol Hill politics, where a schedule for next Tuesday constitutes long-range planning, this hearing was something of a rarity. The chairman of the House Budget Committee, Leon Panetta, invited four smart folks to help him and his colleagues think about the forces that will shape America's future.

"We spend too little time up here doing that," the California Democrat said. But since most of the short-term budget decisions are being dictated by last October's agreement between the Bush administration and Congress, "we have the luxury of focusing on the future."

Instead of thinking first of taxes, political leaders might search for ways to give people information — and trust them to respond.

As might have been predicted, more urgent business kept most committee members away. There was no crowding at the press table, either. But the exercise produced insights and ideas.

Martha Farnsworth Riche of the Population Reference Bureau got everyone's attention by observing that as the baby boomers reach retirement age in the first decade of the next century, the demands for public subsidies will explode. "Marriage today is largely centered on the child-rearing stage of the life cycle," she said. "Adults are not only spending a greater share of their lives single, they are spending more of it single after marriage than before. Unlike today's generation of elderly, a far greater share of tomorrow's elderly will enter retirement single — without the degree of family care-giving that we have today."

That is just the beginning of the challenge. Henry J. Aaron of the Brookings Institution said the vast expansion of the aged population, combined with an acceleration of medical knowledge and technology, would continue to drive up the share of the country's wealth that is consumed by the health system — unless that system is radically reformed.

Jessica T. Mathews of the World Resources Institute said the pressures of population, in America and around the world, on the environment were almost certain to bring surprises, mostly unpleasant ones. "We are just beginning to be able to measure the enormous impact we are having on the planet," she said, and already the cost of cleanups is intimidating.

Putting it together in budget terms, Robert McCord of the Congressional Institute of the Future delivered a bleak "back to the future" script. Suppose that the hard-won budget agreement of last year works as designed and shrinks the deficit from just under 5 percent of GNP today to a bit less than 1 percent in 1996, as planned. Even then, he said, the visible demographic trends will push it back up to the 5 percent level by 2020.

As Mr. Panetta later commented, these projections and analyses give the lie to the "Pollyanna factor" of President George Bush's favorite 1988 campaign song, "Don't Worry, Be Happy." But the panelists urged the congressmen not to content themselves with handwringing about the "lack of leadership" from Mr. Bush.

The message, instead, was that it may be possible to take incremental steps now — in what Mrs. Riche called the "narrow window of opportunity" while the baby boomers are still productive workers — to reduce the budget deficit and make the investments needed to improve the country's sorry productivity record.

A phased-in gasoline tax would make sense, the panelists said. "The market responds better to steady signals than it does to shocks" of recurrent energy crises, Mrs. Matthews observed. Mr. McCord and Mr. Aaron pointed out that even in an era when stagnant real earnings make working-class families strongly resistant to general tax increases, support can be found for levies dedicated to specific desired goals such as schools, transportation and health.

The most hopeful perspective came from Representative Jim Cooper, a 36-year-old Tennessee Democrat, who suggested that instead of thinking first of taxes, political leaders might search for other ways to give people information — and trust them to respond.

If lack of universal health insurance is driving up costs in the medical system, he suggested, why not itemize hospital bills to show each patient how much represents the cost of his own treatment and how much is for the uninsured person in the next bed?

If dependence on foreign oil is a concern, why not require gas stations to display the percentage of their product that has come from overseas?

Why not print Social Security checks in red ink after the recipient has collected all the money he or she paid into the system and the interest it has accrued? Mr. Cooper said that would remind retirees that today's workers are paying for their benefits — and at a Social Security tax rate far higher than the retirees ever knew.

When people learned in recent years that their family garbage was overwhelming landfills, Mr. Cooper pointed out, they got behind community recycling plans. Why not trust them to respond intelligently and unselfishly to information about budget deficits and the resulting shortage of investment?

Why not?

The Washington Post.

The Testimony of a Village Church

By Anthony Lewis

BLYTHBURGH, England — The road turns a corner, and there across the fields of barley and peas is an enormous church. Blythburgh, Suffolk, is a tiny village with one shop. Why does it have such a church?

In the 15th century, when the church was built, Blythburgh was a thriving wool town. Ships from the Continent came across the North Sea and up the River Blyth to here, trading for Suffolk wool. But by the time the church was finished, the traders had built larger vessels that could not navigate the river. The town decayed and disappeared; the church remains, living history.

The whole county of Suffolk, in the bulge of easternmost England, has a feeling of history. There are dozens of churches as old as Blythburgh's, many built like it of flintstone, its fractured surfaces marking the walls and square towers.

Villages just a few miles apart have their own churches, each of distinctive design and decoration. That in itself gives an insight into what life was like 500 years ago: intensely local. Most people stayed in their small communities all the time, all their lives.

The churches also testify to a community spirit scarcely imaginable in our age. To build a church like Blythburgh's, the community had to commit a substantial part of its resources — its money, its people's skills — for decades.

That was connected, of course, to faith. Again, for most Britons today, it is a faith hard to imagine in its universality and its dominant role in life.

The power of that faith could be sensed here the other day when English church music of the 16th century was performed in the Blythburgh church. Portions of masses and other religious works by John Taverner and John Shepherd were sung by a wonderful English group called The Sixteen.

Unaccompanied voices in little-known church music from the time of Henry VIII: One might have expected something remote and dusty. To the contrary, the music and the performance were powerfully emotional. The audience could feel the passion of another time.

MEANWHILE

The American visitor in Suffolk stumbles on bits of history that touch America. In the hamlet of Edwardstone, the church records that John Winthrop, first governor of the colony of Massachusetts, was born in Edwardstone in 1588. He became lord of a nearby manor but gave it up to lead the Puritan migration.

Otley Hall, a superb 15th- and 16th-century house in the village of Otley, turns out to have been the family home of Bartholomew Gosnold. He led the voyage to Jamestown, Virginia, for the first permanent colonial settlement in 1607. On an earlier voyage he explored Cape Cod and supposedly named Martha's Vineyard for his daughter Martha, who had died in infancy.

The feeling of localism remains strong. Among other things the villages of Suffolk, small and large, struggle to maintain the churches that express their identity and history.

In the church at Long Melford, perhaps the most beautiful of all, a woman setting up a flower festival to raise funds remarks that repairs will cost £1 million over the next 10 years — about $1.6 million. In the tiny village of Iken a notice outside the church says that it has only 12 active members and has just spent £45,000 to thatch the roof and put in a new ceiling.

Local history and tradition are emphasized in the Aldeburgh Festival, the music festival started 43 years ago by Benjamin Britten and Peter Pears. This year's program included the concert in Blythburgh and performances in three other Suffolk churches.

But the festival really shows how much the world has changed. There are always international artists. A 23-year-old pianist from Portugal, Artur Pizarro, made a spectacular debut this year, playing Haydn and Beethoven with a restraint and poetic insight that usually come much later if at all.

Indeed, the intense local flavor that marks Suffolk is maintained against the odds. Most people drive to the city to shop in supermarkets, and village stores are closing. Many of the quaint cottages are owned by Londoners and used on weekends. Here, as elsewhere, it is hard to hold on against the currents of change.

The New York Times.

LETTERS TO THE EDITOR

Banisadr Explains

Regarding the report "Shedding the Veil in Iran" (June 12) by Katayon Ghazi:

This article states that "Abol-Hassan Banisadr, Iran's first president in the years after the 1979 revolution, contended that women must cover every strand of hair, because 'research proved female hair had a kind of radiance' that might be tempting to men."

I have always been of the firm conviction that women were, first, the symbol of life and of love; and second, that development in any society begins with the emancipation and development of women.

The quotation attributed to me is in complete contradiction with my beliefs, and is in no way accurate.

Why publish such comments, particularly as they have no connection to the article itself, and why publish them at this particular time?

Might there not be some connection between these comments and the revelation of secret contacts between the Reagan-Bush administration and the mullahs of Iran concerning the American hostages held in Iran?

ABOL-HASSAN BANISADR.
Versailles, France.

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More on the Reichstag

Regarding "A Capital With Old Tales for New Germany" (Opinion, May 16) by Jim Hoagland:

After a sensitive evaluation of the relative merits of Bonn and Berlin as the future seat of the German parliament, the writer sides with Berlin, for which I thank him.

However, i think he does less than justice to the Reichstag building in Berlin when he calls it "Hitler's Reichstag." This edifice is anything but.

The Reichstag was built by Paul Wallot between 1884 and 1894. On Feb. 27, 1933, it was severely damaged by arson, committed at the instigation of the Nazis. It was further damaged during the war.

The Reichstag parliament, the place of impassioned debates, particularly during the Weimar Republic of 1919-33, was denounced as a "Quasselbude" (chatter shop) by Hitler's supporters. For the Nazis, the Reichstag was a despicable symbol of a democratic Germany. The so-called law of enablement of March 23, 1933, finally abolished any influence the German parliament still had. After the Reichstag fire, it met at the Kroll opera house.

Hitler had achieved his aim. The Reichstag was destroyed, both as a building and as a parliament. The course of doom was set — without the Reichstag.

DIETER FLAMIG.
Spokesman of the Berlin Senate.
Berlin.

What's to Celebrate?

The Gulf victory parades in the United States have been ominously hubristic. Realists understand that even honorable peoples sometimes feel compelled to make war on weaker nations. But moral people understand that it is never honorable to exult in such "victories."

SAM ABRAMS.
Canea, Greece.

As a Canadian who has lived in the United States and loves it, I would like to think that most Americans oppose such misguided, barbaric rites. And may those who attempt to profit from the ravages of the war — elections are around the corner, after all — be exposed for what they are.

DENNIS KING.
Paris.

The "victory" in the Gulf should be commemorated not with ticker tape but with sackcloth and ashes.

K. G. KNIGHT.
Canterbury, Britain.

Bundles for Boris

Do you remember America's "Bundles for Britain" program during World War II? These packages helped to alleviate the hunger of the staunch but beleaguered British.

Now that Boris Yeltsin has been democratically elected as president of the Russian Republic, let us send him "Bundles for Boris." He and his aides can distribute them to the starving Russians.

If we send Boris enough bundles, he can also distribute them to the Baltic states and other starving Soviet republics — and help democracy.

SERGE FLIEGERS de WOLF.
Geneva.

For a Secure Israel

Regarding "A Compromise on Land Could Swing the Israelis" (Opinion, May 22) by Clinton Bailey:

The Yugoslav nation is bursting at its seams proving the futility of those diplomats at Versailles in 1919 who tried to sew together that harlequinesque patchwork. British diplomats didn't fare any better in partitioning India.

Nonetheless, Mr. Bailey suggests the creation of three or four Palestinian enclaves in the West Bank to assuage Israel's security fears and encourage it to exchange land for peace. Mr. Bailey's proposal smacks too much of "reserves for the natives."

If security concerns are really what keep Israel from exchanging peace for land, why not insist that the new Palestinian state be a demilitarized one, with an international control system guaranteeing demilitarization?

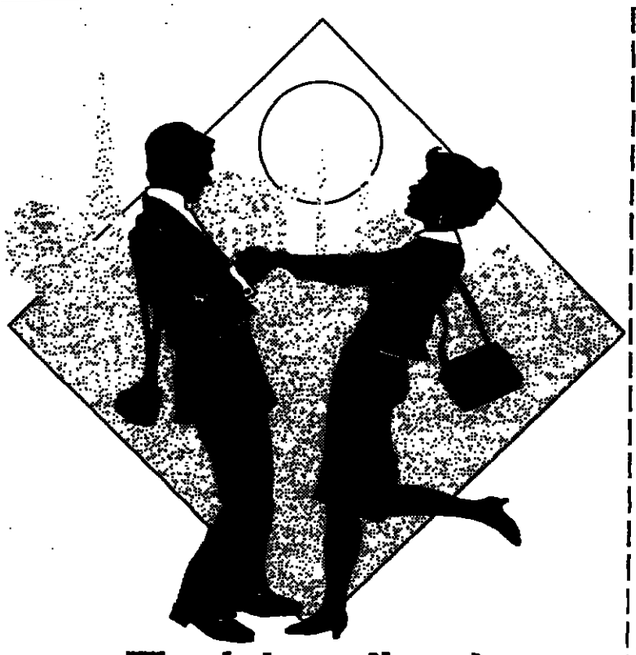
Surely security must be pursued by overcoming problems with neighbors, and not relying on land as a (not so effective) buffer.

FRANCO MATTIOLI.
Rome.

What the Parrot Thinks

I was most interested to read about Alex the parrot and research to measure the intelligence of these birds *(Health/Science, May 30)*. However, I am not convinced that a parrot can think like a human. I would have been more persuaded if Alex, when asked what object was five-cornered, had replied, "Are you buying or selling?"

GREGORY SEGAL.
London.



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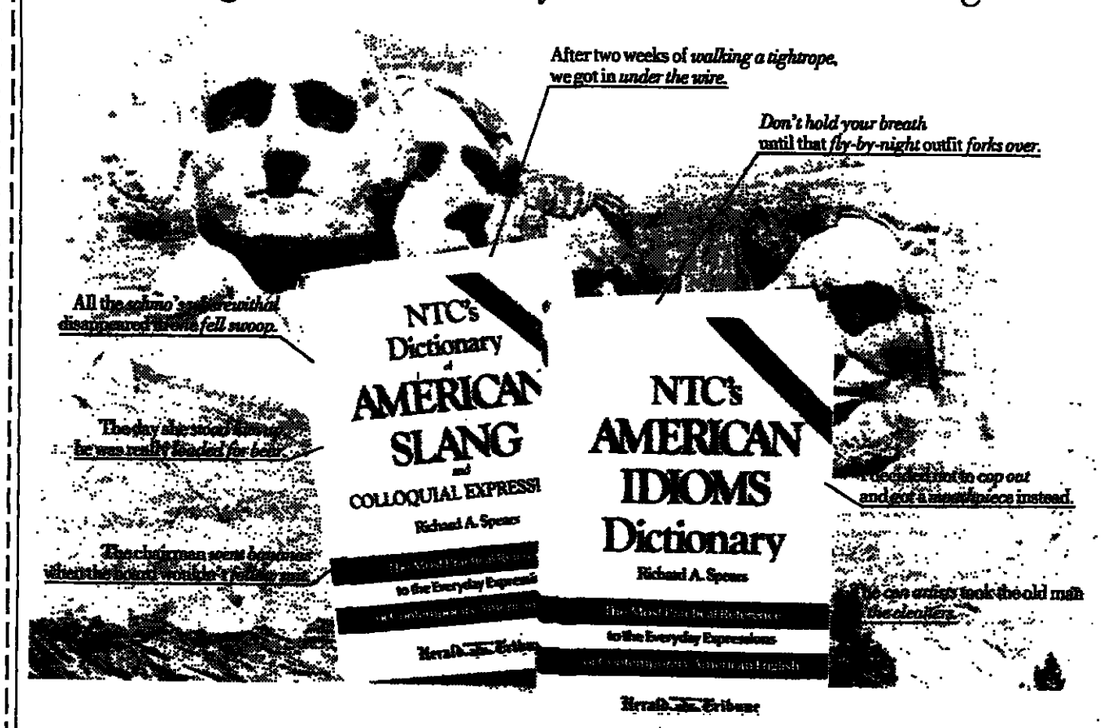

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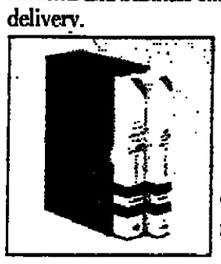

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The Season Goes Silly

International Herald Tribune

PARIS — The "silly season" used to start when the serious social round was finished. Now it is the Season itself that has turned silly.

England's Royal Ascot, which opens Tuesday, was once the parade ground of the socially secure. It is now filled with corporate entertaining (although that is suffering from the recession) and show-offs. The only

SUZY MENKES

thoroughbreds you are *likely* to find *will be in the* royal box, on the course or in the paddock.

At the Chantilly races, which used to be the acme of French elegance, this season's Prix de Diane had two hat designers parading around with models in their outlandish creations and a Japanese theme — chosen by the sponsors, Hermès. That idea produced hats — some of them quite amusing — decorated with Oriental fans or speared with chopsticks, and gave a classic racing day the look of a costume party.

"There is no such thing anymore as the social season that my father told me about — people today have a different attitude," said Princess Ira von Furstenberg. "Time is so short that you go for an event and leave. Maybe Salzburg in August is the one part of the old season that remains. But all that business of being a member of the Jockey Club doesn't count anymore. The world has changed."

Corporate entertaining has moved in on the parade of the socially secure.

The stellar soirées that usually light up midsummer nights are missing in Paris this year — although that is probably the aftermath of the Gulf war.

"I haven't worn a long dress once this season," said Marie-Hélène de Rothschild Sunday, when she and *le Tout Paris* were feting Jessye Norman in concert. The dinner afterward, hosted by Bernard Arnault, was a chic-little-suit affair, although the soprano was magnificently attired on stage in a flowing toga of a dress with jeweled wrist band by Dior's designer, Gianfranco Ferré.

The only ball in the socially high-profile last two weeks in June is the party to be given Friday at Château Fleury by Paul de Ganay to celebrate his 60th birthday. There are still big weddings: the five-day fairy-tale fest this summer in Paris and Marrakech for Olga Rostropovich, daughter of the renowned cellist, who married into the Guerrand-Hermès family wearing a gold lamé bridal dress by Yves Saint Laurent.

Such private events have nothing to do with the traditional Season as a gathering of a tribal clan or "the top ten thousand," as that *boulevardier* Edward VII used to call it. The rump of old-money aristocracy can still be seen at the seriously horsey events like the yearling sales in Deauville, or occasionally on the polo fields of England.

"Doesn't everyone meet at polo?" asked Fergie's mother, Susan Barrantes, when her daughter Sarah announced her engagement to Prince Andrew.

The 1980s were the watershed years for the Season which, awash with new money and corporate sponsorship, gave the impression of being alive and booming. But jet travel had already undermined the basis of social migration: the idea that society packed its steamer trunks for three or four weeks in one spot.

"It's Concorde that has changed everything," said Susan Gutfreund, who carried her ball gown over her arm from New York for Valentino's party in Rome. Like most Americans, Gutfreund goes where the action is. She was shivering in a chic Chanel dress after watching the Beating the Retreat in London last Thursday, when she and Lord Rothschild were viewing the Grosvenor House Antiques Fair. That charity evening, with Princess Margaret as guest of honor, was underwritten by the Japanese pearl company Mikimoto, emphasizing who are today's big spenders.

The Grosvenor House Fair is part of an Alternative Season, based on art and money (as opposed to sport and money). Given the rotten weather throughout Europe this summer, corporate sponsors may increasingly conclude that their money is better spent on events where their guests can have a roof over their heads and keep their feet dry. At this season's British Epsom Derby, the top-hat crowd parked among the rubble and scaffolding of the aged buildings being refurbished.

In France, at Roland Garros, where the French tennis open was held at the beginning of June, facilities are being improved. It too has developed over the last decade from being a meeting point for the BCBG *(bon chic, bon genre)* — nice girls in blue blazers and black velvet headbands. The hostesses in the tribune are now dressed by Dior in natty green and cream striped jackets.

Is sponsorship killing the Season? There were mutterings at the Prix-de-Diane-Hermès that the lunch (in aid of the Red Cross) with Japanese Ambassador Akitane Kiuchi as guest of honor and a milling throng of bemused Japanese, was overtly commercial.

"But Jean-Louis Dumas-Hermès always organizes the Prix de Diane so well," said Prince Amyn Aga Khan, who, however, missed this year's event.

Sponsors today, from Vuitton, through Hermès or Harrods, are sophisticated, choosy and determined to fit their image to the event. That means that they increasingly ignore the so-called highlights of the Season, which have gone from upper-class elegance to a down-market theme-park-with-hats.

In the 1980s the luxury industries discovered polo, with Cartier's International Polo Day at Smith's Lawn, Windsor, first to chukka off. The fact that Prince Charles was an integral part of the British polo scene was an essential ingredient. Now that he is backing off, first because of a broken arm, and more recently with back problems, the sponsors may be more wary about investing in a game that most of their guests find unfathomable.

Alfred Dunhill, the luxury products group, scored the ultimate hit at the Queen's Cup Polo final at Windsor this month: Queen Elizabeth II (in a homey headscarf) celebrated the 70th birthday of her husband, Prince Philip, by taking tea in the Dunhill tent.

Polo still has that essential ingredient of the genuine social Season: the sense of an exclusive tribal ritual carried out by the people who made the rules. This applies not least to clothes, which are supposed to be Ralph-Lauren-classy for polo, rather than garden-party-fancy.

And how are you supposed to know that Queen Elizabeth is going to wear a headscarf, instead of the hats she sports everywhere else as the last vestige of the royal crown? As Groucho Marx might have put it: Nobody wants to be part of a Season where the members have to find out how to dress.

Nathalie George, right, in Chanel suit with parasol; milliner Akio Hirata and wife, below; far right, from top, a fan hat, Seibu's Kuniko Tsutumi and Princess Soraya, and feathered Ascot hats by milliner Herbert Johnson.

Jean-Loc Bizet, AP (bottom right)

TRADE & INVESTMENT

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STYLE MAKERS

More Than a Store

IT ALSO SELLS SHOES

New York Times Service

PORTLAND, Oregon — Part Disneyland, part MTV, a shoe store here is drawing so many visitors that many retailers wonder if this is what their future holds.

See-through tubes carry shoe boxes from the basement stock room to the selling floor; large video screens display Michael Jordan slam-dunking on the wall in one area and exotic fish swimming under the floor in another; pieces of sports memorabilia hang everywhere, overseen by a sculpture of Bo Jackson — all to a rhythmic accompaniment of flutes, electronic music and the sound of dribbling basketballs.

This is Nike Town, opened late last year by Nike Inc., the United States's largest athletic shoe company. The store often draws crowds that spill onto the street, school groups on guided tours and retailing executives jotting ideas in notebooks.

Nike plans to open a store on Michigan Avenue in Chicago next year that will be twice as large. Ones in New York and in Europe may follow.

The store cost a great deal to create — the company will not say how much — and is costly to maintain. While Nike says the Portland store is exceeding all expectations and is designed to be profitable, some retailing experts question how long the company can run such an expensive operation. Some people visiting Nike Town buy nothing, others just a T-shirt.

But selling shoes is only one reason Nike Town exists. Inside the store's pavilions, department store executives and display designers find a kinetic gallery of scenes and fresh ideas for making shopping more fun and exciting.

As retailers search for a distinctive and more exciting niche in an overcrowded marketplace, aspects of Nike Town are bound to turn up in other stores.

"The term among our clients, repeated over and over again to describe what they want, is 'fun,'" said Karol Niemi, a Portland designer who has depicted cave drawings in stores she has designed.

For Nike, the store here, a short drive from Nike's headquarters in Beaverton, is also a laboratory for testing consumer response to new products and a showcase for presenting shoppers with Nike's full line of goods, from surfer socks to bike-riding clothing.

And then there are the company's most important customers: the buyers who order Nike products for their shelves. As part of introducing its 1992 product lineup, Nike is planning to bring hundreds of buyers to Portland. And Nike hopes not just for larger orders, but that buyers will ask Nike's help in creating scaled-down Nike Towns in their own department stores.

That concept has worked well for Polo/Ralph Lauren. After opening a store in Beverly Hills, California, in 1971, the company developed a strong image by selling its collections together. Macy's and many other department stores followed that lead by setting aside a distinctive area that offered all of the company's goods.

Nike Town has 15,000 square feet (1,390 square meters) of selling space, almost as much as a typical supermarket.

Until Nike Town, the most frequently cited example of retailing as theater was the megamall. In Edmonton, Alberta, the world's biggest mall contains not just acres of shops but a re-creation of Bourbon Street in New Orleans, a lagoon with submarine rides and sharks, miniature golf and more.

The developer, Triple Five Corp., is helping build an even larger mall in Bloomington, Minnesota, with a roller coaster, flume ride and other attractions. That strategy of making shopping an adventure appears to be trickling down to individual stores.

"There is less leisure time today so people need to have fun when they shop," said P. K. Anderson, editor of Visual Merchandising and Store Design, a trade publication. "You have to use every trick in the book to keep those shoppers lingering longer."

One problem is that people may come to look and not to buy.

In addition to Nike Town, industry executives point to the Limited Inc.'s Henri Bendel store in New York, an ornate setting with gold trim, a chandelier and a concierge. The result, the company says, is "a lady's paradise."

Also in New York, Boogie's Diner will open by the end of the year. The chain, operated by Merry-Go-Round Enterprises Inc., combines an apparel store and a diner with a 1950s theme.

"Everybody is doing more than just putting merchandise in a store," said Eugenia Vlasewicz, president of Galeries Lafayette USA, the new American division of the French department store chain.

Despite the fun of creating a showcase, retailing experts quickly point out two potential problems: The costs of building a showcase can get out of hand, and people may come to look but not to buy.

"There is a danger in allowing the theater to take over the basic reason the customer comes to shop: finding quality and value with service that provides a level of fulfillment," said Richard F. Clayton, president of STOR Furnishings International Inc., which is opening a 158,000-square-foot store in Houston with huge mobiles and a furnished condominium to show off the company's home furnishings.

While Nike Town is an exciting prototype, it will never conquer the retailing world, largely because Nike would never expand aggressively for fear of alienating the thousands of shoe stores that sell its footware.

Still Nike Town exemplifies another trend in the apparel industry: Manufacturers are opening more of their own specialty stores.

Reebok, Nike's arch-rival, is about to open a store in Santa Monica, California. The first Reebok store, in Boston near Reebok's headquarters, is also a laboratory where the company can monitor customer response to products and where buyers can see the company's latest suggestions on how to display goods.

Nike's chairman, Philip H. Knight, said of Nike Town:

"The store is a recognition of some of the problems we were having. We were spending $100 million on advertising and most of our accounts would take the product and just throw it up on a store wall. And there wasn't a store in the United States that stocked more than 30 percent of our products. This way we can show our retailers and consumers who we are."

Nike Town has become a tourist attraction in downtown Portland.

"We were going to go roller skating, but the kids voted to come here," said Anthony Stone, a teacher from Bend, Oregon, explaining why his sixth-grade class was taking a guided tour of Nike Town.

The store is built around an open area where customers come face-to-face with statues of Bo Jackson and Michael Jordan, both Nike spokesmen. Amid eerie shadows, a black catwalk connects parts of the second floor and the brightly lighted pavilions. Each pavilion holds a separate collection. The Force section, for example, is devoted to one line of basketball shoes: its display racks are supported by basketball hoops.

In the water sports section, wet suits, beach volleyball socks and windsurfing fins are offered; there is a saltwater fish tank on the wall and nine television monitors embedded in the floor showing underwater scenes.

"We thought this was just another store," said Sue Roberts, visiting from Eugene, Oregon. "But this reminds me of the Oregon Museum of Science and Industry."

Michael Lev

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ACROSS

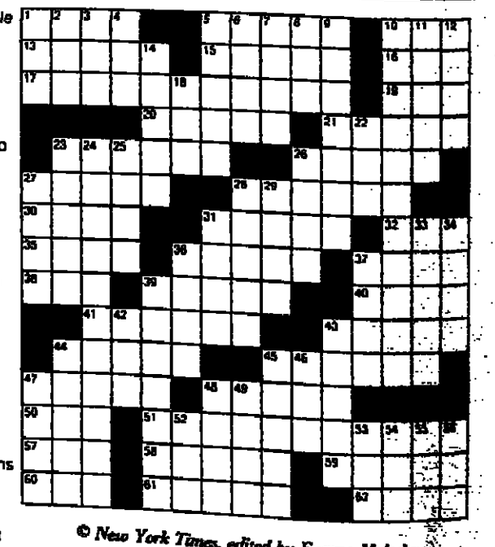
1 Woman's closefitting hat
5 Improve
10 Pen
13 Caper
15 German engraver-painter
16 Author Levin
17 A grain ground into small pellets
19 Celtic sea god
20 —— Semple McPherson
21 Flourished
23 Decorates
26 Domesticated
27 Put on a happy face
28 One in peak condition?
30 October birthstone
31 Bar or milking follower
32 Concealed
35 —— *mater*
36 Breakwaters
37 Antitoxins
38 Former car
39 Fatigued
40 Warm up
41 Vitamin-B complex member
43 —— Meir
44 Keats was one
45 Indolent
47 "I saw —— a-sailing"
48 Sea or snake
50 Rubber tree
51 Hibernia
57 Caddy's contents
58 Fortification
59 Heavens
60 Fort ——, Calif.
61 Wading bird
62 Cupid

DOWN

1 Detonator
2 Single
3 Give whirl (try)
4 Balsam, e.g.
5 Tarkington's "Alice"
6 Wall in, old style
7 —— Stanley Gardner
8 Society-page word
9 Mortarless construction
10 Jay ——, Tonto portrayer
11 Cornered
12 Court of a sort
14 Irish county
18 Container for coal
22 Soul, in Sedan
23 Capacious
24 Honolulu landmark
25 Spicy stew
26 N.M. resort
27 Fly high
28 Dutch genre painter
29 Horsley's "Guns of Paradise" role
31 —— Ifni, Moroccan port
33 Muslim decree
34 Facts
36 Locarno 1925
37 "Go away!"
39 Manhattan College team
42 IX minus VI
43 Embellishes
44 Canadian physician writer
45 Praying figure
46 Hindu cymbals
47 Hatchback, e.g.
48 Ghana's monetary unit
49 Type of test
52 Encountered
53 Presidential nickname
54 "To —— With Love"
55 A constellation
56 Curio

Solution to Previous Puzzle

M	A	C		M	A	L	A	R		T	I	M	E
A	L	A	N		A	L	I	V	E		H	O	A	R
J	A	P	E		R	O	B	I	N		E	N	N	A
	I	N	T	O	T	H	E	V	A	L	L	E	Y	
			T	R	I	A	L		T	U	M			
S	T	A	L	I	N			B	A	T	A	A	N	
L	O	D	E			A	C	C	U	S	E		V	O	L
A	R	O	S	E		I	O	N		S	T	A	V	E
W	A	R		A	T	T	E	S	T		H	I	E	D
	H	E	R	S	E	Y			A	F	E	L	L	A
		E	E	L		S	T	R	A	W				
A	B	E	L	L	F	O	R	A	D	A	N	O		
C	A	L	L		E	L	L	E	N		L	I	F	E
T	R	U	E		R	I	V	E	T		L	A	M	A
R	E	E	D		S	T	E	N	O			S	E	T



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International Herald Tribune
BUSINESS/FINANCE
** TUESDAY, JUNE 18, 1991

INTERNATIONAL STOCKS

A Bad Year for Tokyo And for the Forecasters

By Jonathan Fuerbinger
New York Times Service

NEW YORK — This has not been a good year for the Tokyo stock market. But it has probably been even worse for the forecasters, economists and analysts who attempt to predict the market's course. Tokyo had been hit by a market collapse early in 1990 and again by the Gulf crisis later in the year. And it is still staggering, lagging way behind the recovery of markets in many other countries.

The Nikkei index of 225 leading shares, which closed Monday at 24,943.09, needs to rise almost 24 percent to regain its level of 30,837.99 before the Iraqi invasion of Kuwait in August and 56 percent to meet the record high of 38,915.87 that it reached on the last trading day of 1989.

It is already June, and the predicted interest rate cut has not materialized.

As for the forecasters, they have been counting on a cut in interest rates to give the market a spark. This assumption is behind current forecasts that have the Nikkei 225 rising 8 to 20 percent, or roughly to 27,000 to 30,000, relatively soon.

Some analysts expected the rate cut in the first quarter of the year; some, in the second quarter. But it is already June, and interest rates have not been cut.

Many who have been predicting the cut will now be hoping for it in the third quarter. And some may delay the due date of the reduction in the official discount rate, which is now 6 percent, until the end of the year.

For investors, that leaves the outlook for the Japanese stock market quite murky — and risky. One argument many analysts have been making for getting back into the market is to avoid the rush when interest rates are cut. If there is a stampede back into the market, a lot of the potential gains could be gone in a hurry. But how do you tell if and when that is going to happen?

The latest disappointment for forecasters came last week. The Bank of Japan's quarterly survey of companies, known as the Tankan, showed the economy slowing and business confidence declining. But the news was not bad enough. The report showed some capital investment strength, instead of the weakness that would presage a sharp decline in the economy.

THE REPORT did not signal that a fast slowdown in the economy is around the corner — the kind of economic slump that would trigger a cut in interest rates to cushion the fall.

And Yasushi Mieno, the head of the Bank of Japan, seemed once again to be purposefully vague about what it will take to satisfy him that inflation is low enough. Consumer inflation is at 3 percent and falling.

Real estate prices, which are especially important to Mr. Mieno, are also declining. But, he indicated last week, he is now worried about the tightness in labor markets and the level of capacity utilization.

To add to the confusion, the rally in the dollar last week against the yen and other currencies makes any move to lower interest rates in Japan more difficult. Such a cut in rates would weaken the yen, swelling the huge Japanese import bill and adding inflationary pressure to the economy.

"Everyone has lost a good yardstick at this moment," said Yuichi Kohashi, the executive vice president of Daiwa Securities America Inc. Daiwa had forecast an interest rate cut by the end of June and probably earlier.

Salomon Brothers is another of the many firms confounded by the Bank of Japan and the economic data. Salomon had predicted a rate cut in the first quarter, then shifted its predicted date to the third quarter, when Mr. Mieno in April signaled he was unlikely to act soon.

Last week's developments are "ammunition for the authorities

See TOKYO, Page 13

Part-Time Work Force Increases in U.S.

By Peter T. Kilborn
New York Times Service

PITTSBURGH — In a slow but unmistakable erosion of the five-day, 40-hour week, more and more Americans are finding that the only work available is part-time.

Throughout the economy — and particularly in retail businesses — companies are seeking to save money and gain flexibility by building their work forces around part-timers, whose schedules can be lengthened, shortened or turned upside down.

And although many people choose part-time work, the sharpest increase in the labor force is among those who want but cannot find jobs with regular hours and pay.

While the nonagricultural work force grew 54 percent from 1970 to 1990, the number of involuntary part-timers jumped 121 percent, to 4.9 million, according to the Bureau of Labor Statistics. The ranks of voluntary part-timers grew 69 percent.

The proliferation of involuntary part-time work is most pronounced in recessions, and in once-industrial regions like the Pittsburgh area.

Part-time status leaves people like Dorothy Watkins, 31, in poverty. A twice-divorced mother of two boys, she lives with them in a trailer without a telephone in Wellsburg, West Virginia.

She drives 35 miles (56 kilometers) to a Giant Eagle supermarket in Pittsburgh. She usually works five days a week from 4 to 10 P.M., all that management permits her, she said.

She has been paid the $4.25 hourly national minimum wage. It will soon go up 40 cents as a result of a strike against Giant Eagle by the United Food and Commercial Workers union.

Not all part-time work is undesirable. For people with highly prized, highly paid skills, like accountants or computer programmers, part-time work is an appealing alternative.

The growth of part-time jobs has also opened opportunities for people who want

'People now want you to be open 24 hours a day, seven days a week. You need part-timers to give you flexibility.'
Joseph R. Faccenda, supermarket executive

more money but have competing demands for their time, like children. And while few part-time workers get full benefits, many are covered by spouses.

Still, part-timers suffer many disadvantages. Often they do not know how many hours, or which shift, they will work in a given week until the previous Thursday or Friday.

If they are laid off, they rarely get severance pay.

U.S. law requires that employers make Social Security contributions for part-timers and that they grant the same retirement benefits they give full-timers to those who work 1,000 hours a year, or 20 hours a week.

The law, however, says nothing about health insurance.

Health-care costs are giving employers more incentive than ever to use part-timers. In a study of part-time work in March, the General Accounting Office reported that retail stores provided health insurance for 47 percent of their full-time workers but just 10 percent of part-timers.

The study said 33 states deny unemployment benefits to part-time workers unless their earnings exceed $2,000 a year.

Of families headed by part-time workers, the study said, 21 percent have incomes below the poverty line, as against 5 percent of families headed by full-time workers.

Most of the increase in involuntary part-timers happened in the 1970s. After shooting up in the 1981-82 recession, the growth slowed in the rest of the 1980s.

In the first five months of this year, the involuntary part-time work force has averaged 5.7 million people, a million above the levels of a year ago.

Much of the growth in involuntary part-time workers took place in retail businesses.

The government statistics understate the place of part-time work in the economy, said Chris Tilly, an economist at the University of Lowell in Massachusetts.

In a study of part-time work conducted for the Labor Department, he noted that the government counts part-time workers, not

See WORK, Page 12

Airbus Captures Kuwaiti Orders For $1.9 Billion

By Steven Greenhouse
New York Times Service

PARIS — Kuwait's national airline announced Monday that it had decided to rebuild its war-devastated fleet by awarding orders to Airbus Industrie for 15 aircraft, with options on nine more, a purchase valued at $1.9 billion.

Industry analysts said the entire deal, which also includes jet engine contracts to General Electric Co. and to CFM International, a joint venture between General Electric and Snecma, a French engine maker, was worth about $2 billion.

At a news conference at the Paris Air Show at Le Bourget near Paris, Ahmed Mishari, the chairman of Kuwait Airways, also announced that his company would soon order three Boeing 747-400 aircraft.

Mr. Mishari said, "We lost about two-thirds of our fleet during the Iraqi invasion and lost most of our maintenance facilities, engine workshops — the whole thing."

The order involved three Airbus A-320 short-to-medium-range aircraft, which have 150 seats, and five wide-body, medium-range A-300-600Rs, with 260 seats. In addition, Kuwait Airways ordered three 210-seat, medium-to-long-range A-310-300s, and four long-range A-340-200s, which have 260 seats.

Airbus has scheduled a news conference for Tuesday at which it is expected to announce that Federal Express Corp. is placing 25 firm orders and 50 options for converted A-300 cargo planes.

In another development, McDonnell Douglas Corp. unveiled plans to build a new 105-seat passenger aircraft that would be assembled in China. The company has signed memoranda of understanding for aircraft, to be called the MD-95, with China National Aero-Technology Import-Export Corp. and with the Pratt & Whitney division of United Technologies Corp.

McDonnell Douglas has produced its MD-82 aircraft in China since the mid-1980s. Company officials said they had begun designing the MD-95, which would be the company's smallest twin jet. They hope it will start commercial service in 1994.

McDonnell Douglas officials said they had also signed a memorandum of understanding with Northwest Airlines, under which the airline will evaluate the new aircraft that is slated to replace McDonnell's DC-9s. The MD-95, which will complete with Boeing's 737-300, will have many common features with the DC-9.

John Wolf, a McDonnell Douglas executive vice president, said his company hoped to reach final agreement with the Chinese late this year. McDonnell Douglas is moving an increasing amount of production to China with the goal of becoming one of the world's lowest-cost aircraft makers.

ITT Defense, a subsidiary of International Telephone & Telegraph Co., announced that it was forming a 50-50 joint venture with Thomson-CSF, the French electronics group, to make radar systems for U.S. airports.

The venture hopes to capture contracts from the Federal Aviation Administration to upgrade or replace up to 100 rader systems. In addition, the U.S. Department of Defense plans to award contracts to modernize or replace 60 systems. Each system will cost about $2.7 million, an ITT official said.

Poland's Cash-Seeking Helicopters Face Problems

By Barry James
International Herald Tribune

PARIS — A few months ago Andrzej Stachyra was a designer for a Polish helicopter manufacturer. Then the company told him to go and sell what he designed, and on Monday he was on a stand at the Paris Air show trying to drum up customers for an aircraft with a name that few recognize and even fewer can pronounce.

Like Mr. Stachyra's career, PZL-Swidnik SA is up in the air today. It used to sell 80 percent of its production to the Soviet Union, but now the company has switched to dollar accounting and the Soviet Union has no hard currency to pay.

"That's why I am here," Mr. Stachyra said. "We need to find some new customers."

So far, he said, potential customers have been "sniffing around," but the company has not picked up any firm orders at the air show, even though the Sokol, or Falcon, its latest model has been taking part in the daily flying exhibitions.

Like many of the Eastern manufacturers, PZL-Swidnik's attraction is more its price than its technology. The helicopters sell for less than half the price of comparable Western models.

PZL-Swidnik is one of a number of companies from the former Soviet bloc that are trying to break into the highly competitive aviation world in search of hard currency, business partners and new technologies.

Even the replica of the Mir space station in the Soviet pavilion is said to be for sale for hard currency — officials say it would make a great draw for tourists.

Emerging from years of anonymity and standardization, Soviet aerospace manufacturers and design bureaus appear to be as

The Paris Air Show

brand conscious and as avid for contracts as any of their counterparts in the West.

Among the familiar names of Migoyan, Ilyushin, Yakovlev and Sukhoi, there is for the first time an offering by a private design team, which is seeking partners to build a small amphibious aircraft.

Even the Soviet Union's most secret design bureau, the Central Aero-Hydrodynamic Institute, is trying to drum up business for its research center, which includes 50 wind tunnels.

The unveiling of once-secret Soviet aircraft is now becoming old hat at the air shows, which, in the absence of large advertising budgets, the Soviets use as their chief shop window.

"We would just like to find our own place," said Alexander Batkov, a senior official of the Soviet ministry that oversees the aircraft industry.

PZL-Swidnik is also seeking its place. Long a state concern, it is now a commercial company in which the government holds all the shares, but it is scheduled to go fully private by the end of the year.

"We are divorced," said Tomasz Bylica, the company's sales manager, of the firm's relationship with the government. "But we are still waiting for the papers to come through and we are still living in the same flat."

On the efforts of people like Mr. Bylica and Mr. Stachyra depends the employment of about 7,000 people at the factory at Swidnik, which is close to Lublin and not far from the Soviet border.

The factory's three current models include the Mi-2, a helicopter designed in the Soviet Union but never built there, a Polish improvement of that model with American engines and avionics called the PZL-Kania, and a Polish-designed helicopter, the PZL-Sokol.

In setting up a helicopter plant from scratch, the company had to become its own supplier, unlike Western manufacturers, which buy in their components from a vast web of contractors and suppliers. "We had to make everything ourselves, even down to the rivets," Mr. Bylica said.

Because setting up forges and other complex production facilities only for its own use was uneconomic, the company built the plant bigger than it needed to achieve economies of scale.

It then used part of the capacity to produce parts for Ilyushin airliners and other Soviet buyers.

Mr. Bylica said PZL is now seeking new international markets to keep the production equipment busy and reduce its dependence on the Soviet Union.

It has had some success, winning orders for some Airbus components, for example. Meanwhile, the company is turning its hand to anything that comes along, even turning out small trailers for automobiles.

Helicopter sales, though, were sharply down from more than 300 in a good year, to about 100 last year and probably even fewer this year.

Mr. Bylica was hazy about the company's financial situation, beyond saying it made a profit in dollar terms last year. "We won't know how we stand until the currency stabilizes," he said. Complicating the financial picture are compensation deals in which money does not change hands.

PZL has been chartering several of its helicopters abroad while trying to drum up sales. Three Sokol helicopters took part in fire-fighting operations in Spain last year and are expected to go again this summer.

Mr. Bylica acknowledged the company has a problem with brand recognition in the West. "But if the product is good, the name will become better known," he said.

CURRENCY RATES

Cross Rates

June 17

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.026	3.2885	1.1265	0.3317	0.1512 *	—	5.473 *	1.3108	1.4065 *	1.7732	1.792 *
Brussels	37.87	60.16	20.585	6.059	2.759 *	18.2725	—	23.975	0.2625	32.38	32.67 *
Frankfurt	1.7981	2.923	—	0.2942	0.1341 *	0.8877	4.858 *	1.1643	1.274 *	1.5721	1.585 *
London (a)	1.6235	—	2.9188	9.9856	2,178.50	3.2915	60.86	2.5085	228.89	1.8538	183.15
Madrid	113.544	184.509	63.136	18.58	8.463 *	56.038	3.0665	73.491	80.471 *	99.382	—
Milan	1,342.65	2,180.05	746.03	219.52	—	662.20	36.233	868.08	9.589	1,174.60	11.821
New York (b)	—	1.628 a	1.7941	6.0725	1,336.80	2.0213	36.925	1.5425	140.665	1.1417	112.70
Paris	6.115	9.931	3.398	—	0.4555 *	3.0159	0.145	3.9545	4.3385 *	5.35	5.386 *
Tokyo	140.90	228.23	78.56	23.13	0.1054	69.74	3.8174	91.78	—	123.33	1.2583
Toronto	1.1417	1.8563	0.6355	0.1872	0.854 *	0.5643	3.084 *	0.7397	0.811 *	—	1.011 *
Zurich	1.5445	2.5091	0.8595	0.2529	0.1151 *	0.7616	4.1715 *	—	1.0809 *	1.3519	1.3647 *
1 ECU	1.14	0.7015	2.0591	6.9464	1,529.63	2.3098	42.2106	1.7613	160.851	1.3004	128.436
1 SDR	1.3723	0.8073	2.3597	8.0242	1,761.90	2.48	48.6211	2.0282	184.773	1.5006	149.885

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9900.0	Greek drac.	196.00	Mex. peso	3015.00	S. Afr. rand	2.88
Austral. $	1.3236	Hong Kong $	7.725	N. Zealand $	1.7467	Soviet ruble*	0.602
Austr. schil.	12.62	Indian rupee	20.964	Norw. krone	7.027	Swed. krona	6.505
Brazil cruz.	296.42	Indo. rupiah	1936.03	Phil. peso	27.46	Taiwan $	26.92
Chinese yuan*	5.354	Irish £	0.6741	Port. escudo	159.25	Thai baht	25.75
Danish krone	6.9365	Israeli shek.	2.3719	Saudi riyal	3.7502	Turkish lira	4209.00
Egypt. pound	3.2826	Kuwaiti dinar	3.40	Sing. $	1.7863	UAE dirham	3.672
Fin. markka	4.2675	Malay. ring.	2.7845	S. Kor. won	725.50	Venez. boliv.	55.58

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6155	1.6086	1.6023	Canadian dollar	1.1460	1.1483	1.1503
Deutsche mark	1.8033	1.8078	1.8120	Japanese yen	141.37	141.56	141.72
Swiss franc	1.5477	1.5502	1.5524				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

June 17

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	5 [illegible]-6 [illegible]	8 [illegible]-8 [illegible]	7 [illegible]-8 [illegible]	11½-11⅝	9⅝-9 [illegible]	7⅞-8	9 [illegible]-10 [illegible]	7 [illegible]
2 months	6-6⅛	8⅞-9	7 [illegible]-8 [illegible]	11½-11⅝	9 [illegible]-9¾	7 [illegible]-7 [illegible]	9 [illegible]-10 [illegible]	7⅝
3 months	6 [illegible]-6 [illegible]	8 [illegible]-9 [illegible]	8-8⅛	11 [illegible]-11 [illegible]	9 [illegible]-9¾	7 [illegible]-7 [illegible]	9 [illegible]-10 [illegible]	7⅝
6 months	6 [illegible]-6 [illegible]	9 [illegible]-9 [illegible]	7 [illegible]-8 [illegible]	10 [illegible]-11 [illegible]	9 [illegible]-9¾	7⅝-7¾	9⅞-10	7⅝
1 year	6 [illegible]-6 [illegible]	9⅝-9¾	7 [illegible]-7 [illegible]	10 [illegible]-10 [illegible]	9 [illegible]-9⅞	7½-7⅝	9⅞-10	7 [illegible]

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

June 17

United States	Close	Prev.
Discount rate	5½	5½
Prime rate	8½	8½
Federal funds	5⅝	5⅝
Com. paper 30-179 days	6.15	6.15
3-month Treasury bills	5.58	5.56
6-month Treasury bills	5.80	5¾
1-year Treasury bills	5.99	5.94
30-year Treasury bond	8½	8.46
2-month CD's	5.70	5.70
3-month CD's	5.80	5.80
Japan		
Discount rate	6.00	6.00
Call money	7 15/16	7 29/32
2-month interbank	7 25/32	7 25/32
3-month interbank	7 11/16	7¾
Germany		
Discount rate	6½	6½
Lombard rate	9.00	9.00
Call money	8.80	8¾
1-month interbank	8.90	8.90
3-month interbank	9.00	9.00
6-month interbank	9.10	9.10
Britain		
Bank base rate	11½	11½
Call money	11¾	11⅞
3-month interbank	11⅝	11⅝
6-month interbank	11 1/16	11.00
France		
Intervention rate	9.00	9.00
Call money	9 15/16	9 13/16
1-month interbank	9¾	9 11/16
3-month interbank	9⅝	9⅝
6-month interbank	9 11/16	9⅝

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Asian Dollar Deposits

June 17

1 month	6 - 6⅛
2 months	6 [illegible] - 6 [illegible]
3 months	6⅛ - 6¼
6 months	6⅜ - 6½
1 year	6⅞ - 7

Source: Reuters.

U.S. Money Market Funds

June 17

Merrill Lynch Ready Assets
30-day average yield: 5.47
Telerate Interest Rate Index: 6.001
Source: Merrill Lynch, Telerate.

GOLD

June 17

	A.M.	P.M.	Ch'ge
Hong Kong		Closed	
Luxembourg	367.50	—	— 2.10
Paris (12.5 kilo)	366.22	366.22	+ 1.02
Zurich	367.65	367.15	— 0.50
London	367.30	366.80	— 0.95
New York	—	367.95	+ 1.10

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Opening the Media in Eastern Europe

After Others Have Plunged In, U.S. Publishers Are Still Testing the Waters

By Deirdre Carmody
New York Times Service

NEW YORK — More than a year after the start of a fierce bidding war among foreign publishers for newspapers and magazines in Eastern Europe, the involvement of U.S. media companies there remains minimal.

Except for Time Warner Inc., which has a partial interest in developing and operating cable systems in Hungary representing 250,000 subscribers and is looking into developing a pay-television movie service there, none of the big American newspaper or magazine publishers are competing for ownership of Eastern Europe's emerging free press.

On the other hand, the publishing magnates Robert Maxwell and Rupert Murdoch; Robert Hersant, who owns Le Figaro in France, and the Springer and Bertelsmann groups of Germany are staking claims. And there are plenty of claims waiting to be staked.

"Whoever is willing to take something over gets to take it over," said Ruth Whitney, the editor in chief of Glamour magazine. "Ownership occurs not by negotiation but by anyone who steps in and fills the void."

But the difficulty, said Pat Miller, an editor at large for the American Society of Magazine Editors, is "nobody knows who owns what."

Ms. Whitney and Ms. Miller were members of a group of U.S. magazine editors and publishers who recently returned from a 12-day trip to Vienna, Budapest, Krakow, Warsaw, Prague and Berlin that was sponsored by the society and the Magazine Publishers of America. They said they were impressed by the vitality and inventiveness of journalists struggling to effect a transition from state control to independence.

John Mack Carter, the editor in chief of Good Housekeeping and director of development at Hearst magazines, said the common thread in the talks with East European journalists was their wariness of foreign investment and desire to limit foreign ownership. But while many of them were uneasy about European entrepreneurs, they were more trusting of Americans, Mr. Carter found.

"They are like heat-seeking missiles, coming after greenbacks and looking to the U.S.A.," he said.

One American testing the waters in Eastern Europe is Edward T. Giller, a former broadcaster based in Altoona, Pennsylvania. He and two partners set up Pentor Communications International, which has commitments of more than $2 million in joint media ventures in Poland.

A year ago, Mr. Giller and his partners became majority shareholders in a venture with members of the staff of Uroda, a women's magazine formerly published by Interpress, a state-owned media conglomerate. A monthly with a circulation of 200,000, it has articles on how to earn money, profiles of successful women and features on hair, clothes and decorating the office.

Pentor is also involved in a venture with executives of The Warsaw Voice, a two-year-old weekly and the only English-language newspaper in Poland. Simultaneous delivery in the United States will begin in July when the tabloid, costing $3 an issue, will seek readers among executives interested in doing business in Poland.

Other Pentor ventures in Poland include a market-research firm, the only television and radio listings publication and a television production company.

Market research is virtually nonexistent in Poland. As a result, publishers rarely know who their readers are. As in many East European countries, magazine distribution is controlled by the state-owned postal service.

Readers sign up and prepay for magazines at the post office, which, in turn, informs publishers how many copies it will distribute. There is none of the information on age, gender, income or interests of readers that is the mainstay of U.S. advertising.

Pentor is also working on a distribution system that would make it more profitable for kiosks to sell the company's newspapers and magazines. Mr. Giller said his Polish partners had come up with the idea of buying a new car and giving it to the kiosk owner who sells the most copies of the television listings magazine in June.

"The Maxwells and Murdochs have not been well received," Mr. Giller said, "and the Germans are trying to get in. But we have made the Poles realize that our interests and theirs coincide, and they have been very responsive to us. But it's very much like the old West. There is no corporate structure; we make the rules as we go."

Another American company involved in Poland is Chase Enterprises, a division of Chase Communications, based in Hartford, Connecticut. In a joint venture with the Polish government, Chase has begun building a cable-televi-

See MEDIA, Page 12

High Court Says Kidder Must Defend Insider Suit

The Associated Press

WASHINGTON — The Supreme Court refused on Monday to block a $1.6 billion lawsuit against the brokerage firm of Kidder, Peabody & Co. concerning insider information that allegedly was given to Ivan F. Boesky.

The ruling forces Kidder to defend itself in Texas court against allegations that the company violated state securities laws.

Maxus Energy Corp. contends in the $1.6 billion lawsuit that it paid $300 million more than it should have in its 1983 takeover of Natomas Co. because Martin Siegel, a former Kidder vice president who headed a team of financial advisers for the merger, gave Mr. Boesky confidential information.

In 1987, the Securities and Exchange Commission charged Mr. Siegel with illegally disclosing confidential material about the planned merger to Mr. Boesky. The SEC said Mr. Boesky used the information to reap at least $4.8 million in insider profits.

Mr. Boesky was the central figure in Wall Street's largest insider-trading scandal. He paid $100 million in penalties and pleaded guilty to one felony count to settle criminal and civil charges filed by the SEC. He was released last year after serving two years of a three-year sentence.

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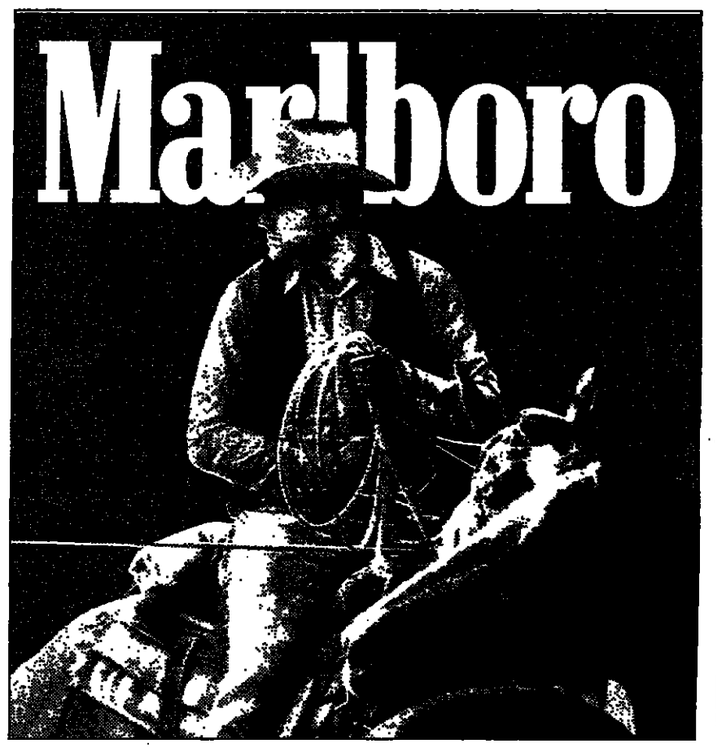
NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

Marlboro



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(Continued on page 13)

MARKET DIARY

A Pause to Digest Last Week's Rally

United Press International

NEW YORK — Stocks on the New York Stock Exchange closed slightly lower Monday in what analysts called a "digestive" pause after the 35-point rally in the Dow on Friday.

The Dow Jones industrial average, which jumped 35.33 Friday, slid 6.49 Monday to 2,993.96.

Among the broad-based gauges, the New York Stock Exchange composite index fell 0.96 to 208.38 and Standard & Poor's 500-stock index slipped 2.16 to 380.13.

Declines topped advances by a 4-3 margin. Volume was 133.9 million shares, compared with the 168.9 million traded Friday.

The market opened narrowly mixed, and drifted right around Friday's closing levels all session. The broad market leaned to the minus side all session but the Dow drifted above and below Friday's close.

Analysts called the day a pause for the market after the Dow gained 35 points Friday.

"It looked like a digestive day for stocks," said Michael Metz, analyst at Oppenheimer & Co., referring to the kind of action that often follows a big move one way or the other.

He said there were no factors to influence trading, "nothing motivating anybody to do anything. There was just no excitement anywhere," he said, referring to specific sectors of the market.

On the trading floor, Computer Associates International was the most active issue, up ½ to 10⅞.

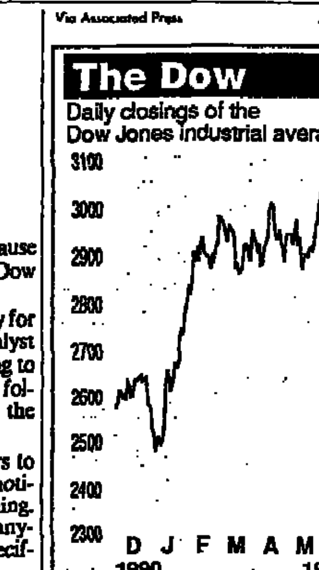
General Motors followed, off ½ to 43¾. IBM was third, off ⅞ to 99½, falling below 100 for the first time since October.

On the American Stock Exchange, stocks fell slightly in light trading.

Wang Labs paced the Amex actives, unchanged at 3⅞.

N.Y. Stocks

Via Associated Press June 17



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NYSE Most Actives

	Vol.	High	Low	Last	Chg.
CmpAsc	22757	11⅛	10⅝	11	+ ⅜
GnMotr	16032	44¼	43⅝	43¾	— ½
IBM	15945	100	99½	99½	— ⅞
McDonl	15885	33⅛	32¼	32⅜	— ⅝
MIN	15566	7⅞	7¼	7½	— ⅛
PepsiCs	15279	31¼	30⅞	31	+ ⅛
Glaxo	13835	42⅛	41⅝	42⅛	— ⅛
GTE	13024	30⅛	29⅝	29¾	— ¼
USXMarn	12879	24⅛	23⅝	24⅛	+ ¼
PhilMr	12149	67	66¼	66⅝	— ⅜
RJR Nbn	11927	11	10⅞	11	+ ⅛
ConrPr	11514	17¾	16⅝	16⅞	—1
Chase	10664	19⅞	19¼	19⅜	— ⅜
MMT	10525	7⅝	7½	7⅝	— ⅛
ArchDn	10369	24½	23⅞	24¼	+ ⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
WangB	5219	4⅛	3⅞	3⅞	
viCntAr	3184	2	1⅞	2	
IvaxCps	2352	28¼	27⅛	27⅛	— ⅞
ENSCO	2200	3⅛	2⅞	3⅛	+ ⅛
Amdhl	2130	15⅞	15¼	15⅞	
EchoBy	1923	9	8¾	8⅞	
A-gm	1762	41	40⅛	40⅛	— ¼
Elan	1746	33⅛	32⅞	33⅛	+ ¼
Alza	1745	59¼	58⅛	58½	—1
PblLD	1713	20⅛	18⅞	19½	—1⅛
AmSwM	1686	8⅛	7⅞	8	— ⅛
TelDta	1629	31⅞	31⅛	31⅛	
CtzFst	1506	2⅛	1⅞	2⅛	— ¼
TwCty	1421	5⅛	4⅞	5	+ ¼
Hasbro	1403	29⅛	29	29	— ⅛

NYSE Diary

	Close	Prev.
Advanced	659	1025
Declined	855	539
Unchanged	556	473
Total Issues	2070	2037
New Highs	51	44
New Lows	9	9

Amex Diary

	Close	Prev.
Advanced	251	293
Declined	271	223
Unchanged	253	259
Total Issues	775	775
New Highs	16	12
New Lows	4	6

NASDAQ Diary

	Close	Prev.
Advanced	858	1,088
Declined	963	734
Unchanged	2,284	2,281
Total Issues	4,105	4,103

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	3000.67	3021.49	2977.86	2993.96	— 6.49
Trans	1236.07	1245.42	1221.61	1226.02	— 8.64
Util	209.82	210.39	208.19	208.56	— 1.64
Comp	1080.71	1087.80	1071.16	1075.85	— 4.72

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	455.70	453.08	453.09	—2.34
Transp.	304.30	301.16	301.24	—1.96
Utilities	137.82	136.70	136.70	—1.12
Finance	30.35	30.14	30.14	—0.21
SP 500	382.31	380.13	380.13	—2.16
SP 100	364.28	361.88	361.91	—2.37

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	n.a.	n.a.	208.38	—0.96
Industrials	—	—	242.60	—1.17
Transp.	—	—	180.01	—0.28
Utilities	—	—	89.54	—0.57
Finance	—	—	152.27	—0.61

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	496.03	494.09	494.32	—0.75
Industrials	552.76	550.68	551.37	—0.10
Finance	482.25	480.52	481.13	—0.89
Insurance	545.76	541.76	542.18	—3.44
Utilities	568.82	564.41	565.40	—3.00
Banks	331.80	329.87	331.19	—0.45
Transp.	540.90	534.93	535.20	—5.75

AMEX Stock Index

High	Low	Close	Ch'ge
367.40	366.27	367.13	—0.23

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	94.09	+ 0.02
10 Utilities	94.99	— 0.17
10 Industrials	93.19	+ 0.20

Market Sales

NYSE 4 p.m. volume	133,910,000
NYSE prev. cons. close	208,598,370
Amex 4 p.m. volume	9,060,080
Amex prev. cons. close	13,812,800
NASDAQ 4 p.m. volume	116,598,500
NASDAQ prev. 4 p.m. volume	135,802,400
NYSE volume up	44,936,900
NYSE volume down	68,796,700
Amex volume up	3,343,500
Amex volume down	3,792,800
NASDAQ volume up	n.a.
NASDAQ volume down	n.a.

S&P 100 Index Options

June 17

Strike Price	Calls-Last May	Jun	Jly	Aug	Puts-Last May	Jun	Jly	Aug
320	42⅝	—	—	—	⅛	—	—	—
325	38⅝	—	—	—	⅛	—	—	—
330	34⅜	35	—	—	⅛	⅛	—	—
335	—	—	—	—	⅛	⅛	—	—
340	22	25⅛	26⅛	28⅝	⅛	1⅛	2⅛	4⅛
345	18⅝	20½	—	—	⅛	1½	3¼	4⅝
350	13¼	15⅝	—	—	⅛	2⅛	4⅛	6⅝
355	8¾	11⅝	15	—	⅛	3¼	5½	7½
360	4⅛	8⅛	11⅛	14⅛	1⅛	4⅝	7⅛	9⅛
365	1½	5⅛	8⅛	11⅝	3⅛	7⅛	9¼	11⅝
370	⅛	3½	5⅛	—	8⅛	10⅝	—	—
375	⅛	2	4⅛	6⅛	13	14⅝	15¼	—
380	⅛	1⅛	3	5	18⅛	17½	19⅛	—
385	⅛	⅛	1⅛	3½	—	—	—	—

Calls: total vol. 90,741 ; total open int. 415,923
Puts: total vol. 77,769 ; total open int. 437,494

	Dec 92	Dec 93	Dec 92	Dec 93
27½	—	—	⅛	—
30	—	—	1	—
32½	—	—	1⅛	—
35	—	—	2⅛	2⅛
37½	3½	—	—	—

Calls: total vol. 4 ; total open int. 28,106
Puts: total vol. 1,366 ; total open int. 58,718

Source: CBOE.

Dollar Ends Weaker As Market Awaits News

Reuters

NEW YORK — The dollar closed mainly weaker Monday in quiet trading, as market participants awaited news that would affect the currency's course.

The underlying sentiment on the dollar remains positive, traders said.

"But people are already long dollars and need to see new factors" before buying more of the currency, said Kevin Weir, vice president at Canadian Imperial Bank of Commerce in New York.

Foreign Exchange

The dollar eased to 1.7941 Deutsche marks from 1.7950 DM at the close on Friday; to 140.665 yen from 140.705, and to 6.0925 French francs from 6.0985.

It rose slightly to 1.5425 Swiss francs from 1.5388.

The British pound closed at $1.6280, up from $1.5329, but it lost ground against the mark, closing at 2.9208 DM, down from 2.9311 DM.

The pound suffered against the Deutsche mark, following the Spanish peseta downward in the European Monetary System's exchange rate mechanism. The pound was artificially supported in the ERM by the peseta's recent strength, traders said. So when the peseta fell, dealers saw room to sell sterling.

The market's optimism on the dollar stems from recent U.S. economic data. Gains in May nonfarm payrolls, retail sales, industrial production, producer prices and consumer prices have led many to believe that the U.S. economy is pulling out of recession.

The dollar was seeking higher ground in European trading Monday, although a brief breakthrough at 1.80 Deutsche marks fizzled out.

EUROPEAN FUTURES

Food

SUGAR (FOX)
U.S. Dollars per metric ton-lots of 50 tons

	Close		High	Low	Prev. Close	
Aug	213.00	214.40	213.00	199.00	193.00	200.40
Oct	196.00	196.40	197.00	184.00	183.20	184.40
Dec	185.00	203.00	188.00	180.00	175.00	200.00
Mar	188.00	190.00	N.T.	N.T.	177.00	184.00
May	188.00	192.00	183.00	183.00	177.60	186.60
Aug	198.00	208.40	189.80	189.00	185.00	192.40
Oct	196.00	204.40	190.00	190.00	187.20	192.40

Est. Sales 1,213.

COCOA (FOX)
Sterling per metric ton-lots of 10 tons

	Close		High	Low	Prev. Close	
Jul	680	682	605	597	603	604
Sep	637	638	640	631	638	639
Dec	677	678	680	672	678	679
Mar	712	713	714	707	712	713
May	733	734	735	730	733	734
Jul	754	755	755	752	753	754
Sep	774	775	776	770	773	774

Est. Sales 3,167.

COFFEE (FOX)
Sterling per metric ton-lots of 5 tons

	Close		High	Low	Prev. Close	
Jul	538	539	542	535	536	537
Sep	564	566	570	562	562	564
Nov	588	589	593	586	588	589
Jan	608	609	613	607	608	610
Mar	626	627	630	625	626	629

Est. Sales 2,779.

WHITE SUGAR (Matif)
Dollars per metric ton-lots of 50 tons

	High	Low	Close		Ch'ge
Aug	310.00	299.00	308.50	309.50	+ 6.20
Oct	269.50	261.00	268.50	269.50	+ 3.00
Dec	N.T.	N.T.	259.50	261.00	+ 1.80
Mar	N.T.	N.T.	261.50	262.50	+ 2.20
May	N.T.	N.T.	262.10	265.00	+ 2.50
Aug	N.T.	N.T.	269.00	272.00	+ 1.50

Est. sales 1,455. Prev. sales 582.
Open interest 12,888.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1363.00	1364.00	1291.00	1292.00
Forward	1395.00	1396.00	1323.00	1327.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1354.00	1355.00	1341.00	1343.00
Forward	1369.00	1370.00	1353.00	1354.00
LEAD Sterling per metric ton				
Spot	330.00	331.00	334.00	336.00
Forward	341.00	342.00	343.00	344.00
NICKEL Dollars per metric ton				
Spot	8460.00	8470.00	8150.00	8170.00
Forward	8470.00	8480.00	8287.00	8290.00
TIN Dollars per metric ton				
Spot	5775.00	5785.00	5735.00	5745.00
Forward	5860.00	5870.00	5828.00	5830.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1061.00	1062.00	1074.00	1076.00
Forward	1080.00	1081.00	1091.00	1092.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Jun	88.70	88.64	88.65	— 0.08
Sep	89.45	89.39	89.41	— 0.08
Dec	89.83	89.76	89.78	— 0.06
Mar	89.91	89.88	89.91	— 0.01
Jun	89.65	89.62	89.45	+ 0.01
Sep	89.42	89.40	89.40	— 0.02
Dec	89.24	89.23	89.25	Unch.
Mar	89.22	89.21	89.23	— 0.01
Jun	N.T.	N.T.	89.20	— 0.02
Sep	N.T.	N.T.	89.19	— 0.02
Dec	N.T.	N.T.	89.18	— 0.02
Est. volume: 49,580. Open interest: 138,426.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Jun	93.82	93.80	93.81	+ 0.01
Sep	93.48	93.46	93.47	Unch.
Dec	92.91	92.89	92.90	+ 0.02
Mar	92.77	92.74	92.75	Unch.
Jun	92.33	92.33	92.31	Unch.
Sep	91.95	91.95	91.93	— 0.04
Dec	91.64	91.64	91.62	— 0.11
Mar	91.63	91.63	91.60	— 0.14
Est. volume: 4,082. Open interest: 40,000.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Jun	90.94	90.95	90.95	Unch.
Sep	90.98	90.90	90.92	— 0.04
Dec	91.12	91.05	91.05	— 0.05
Jun	91.52	91.50	91.48	— 0.04
Sep	N.T.	N.T.	91.69	— 0.03
Dec	N.T.	N.T.	91.73	— 0.01
Mar	N.T.	N.T.	91.79	— 0.01
Est. volume: 14,040. Open interest: 118,913.				
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Jun	N.T.	N.T.	89-15	— 0-10
Sep	89-26	89-14	89-17	— 0-10
Dec	89-18	89-18	89-16	— 0-10
Est. volume: 15,717. Open interest: 36,374.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Sep	85.91	85.55	85.60	— 0.11
Dec	86.08	86.08	85.84	— 0.11
Est. volume: 29,862. Open interest: 71,007.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Jul	171.50	169.75	170.75	170.50	— 0.25
Aug	172.75	170.75	170.75	171.00	— 0.25
Sep	174.25	172.75	173.50	173.50	+ 0.25
Oct	176.75	175.00	176.50	176.50	+ 0.50
Nov	179.00	177.00	178.50	178.75	+ 0.25
Dec	180.00	179.00	180.00	179.75	+ 0.25
Jan	177.00	176.50	176.50	176.50	Unch.
Feb	N.T.	N.T.	N.T.	171.00	— 1.00
Mar	170.00	170.00	170.00	170.00	+ 2.00
Est. Sales 3,187. Prev. sales 5,598. Open interest 62,816					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Aug	18.35	18.10	18.20	18.21	+ 0.07
Sep	18.64	18.40	18.51	18.50	+ 0.04
Oct	18.90	18.60	18.73	18.73	+ 0.05
Nov	19.00	18.75	18.85	18.85	— 0.02
Dec	19.05	18.95	18.95	18.95	— 0.05
Jan	N.T.	N.T.	N.T.	18.87	— 0.13
Est. Sales 6,894. Prev. sales 15,252. Open interest 45,555					

Stock Indexes

FTSE 100 (LIFFE)
£25 per index point

	High	Low	Close	Change
Jun	2533.0	2519.0	2524.0	— 6.0
Sep	2578.0	2565.0	2569.0	— 6.0
Dec	2608.0	2608.0	2609.0	— 8.5

Est. volume: 3,624. Open interest: 33,709.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.619	0.586
Coffee, lb	0.71	0.71
Copper electrolytic, lb	1.1064	1.106
Iron FOB, ton	213.00	213.00
Lead, lb	0.31	0.31
Silver, troy oz	4.42	4.41
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	0.99	0.99
Tin, lb	3.7284	3.6998
Zinc, lb	0.558	0.558

Dividends

Company	Per	Amt	Pay	Rec
DISTRIBUTION				
Summ TXmptBd	Q	.21	8-14	6-28
REDUCED				
Preston Corp	Q	.03	7-31	6-28
REVERSE STOCK SPLIT				
Micro Bio-Medics 1-for-3				
SPECIAL				
RoyalBk Penn cl-A	-	.15	7-26	7-5
RoyalBk Penn cl-B	-	.15	7-26	7-5
USUAL				
Abbott Labs	Q	.25	8-15	7-15
Amer Southwest Mtg	Q	.35	7-15	6-28
Brady (WH) Co cl-A	Q	.12	7-31	7-12
Canadian Tire Ltd	Q	c-.10	9-1	7-31
Cedar Fair	Q	.36¼	8-15	7-8
Centel Corp	Q	.22	7-31	7-8
FstFdSvgLaGrnge	Q	.14	7-1	6-21
GBC Bancorp	Q	.08	7-15	6-30
Holly Corp	Q	.12	7-12	6-28
Indiana Bncshrs	Q	.12	7-12	6-25

a-annual; c-Canadian rate; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
June 14	734,075	524,459	2,373
June 13	626,162	501,700	9,959
June 12	538,256	843,451	99,891
June 11	646,481	646,332	33,210
June 10	478,708	596,944	15,413

*Included in the sales figures.

U.S./AT THE CLOSE

Trump Castle in Bankruptcy Filing

NEW YORK (AP) — Donald Trump will place his Trump Castle in bankruptcy proceedings and split ownership of the casino 50-50 with bondholders under an agreement announced Monday that resolves some of Mr. Trump's financial problems.

The deal releases Mr. Trump from about $41 million in interest and principal payments on the Atlantic City, New Jersey, casino that were due Monday and places the Castle in a prepackaged bankruptcy. Substantial portions of a prepackaged bankruptcy, typically filed under Chapter 11 of federal bankruptcy laws, are approved in advance by creditors. Prepackaged filings are designed to speed debt restructurings.

Announcement of the deal came as New Jersey gaming regulators met Monday to consider the state of Mr. Trump's finances. The state Casino Control Commission can take away Mr. Trump's casino license if it finds him financially unstable.

Unisys Sued on Pension Investment

PHILADELPHIA (Reuters) — About 3,000 retirees and employees have sued Unisys Corp. for investing $200 million of pension money in Executive Life Insurance Co., which was seized by California regulators earlier this year, lawyers for the plaintiffs said.

The suit filed in federal court in Philadelphia charged Unisys with investing retirement funds in a company "well-known for its investment in risky junk bonds." Lawyers said union officials at Unisys advised the company in early 1988 that the Executive Life investments were risky.

Litton to Take $100 Million Charge

BEVERLY HILLS, California (Reuters) — Litton Industries Inc. said Monday it plans to take a fourth-quarter charge of $100 million after taxes as a result of phasing down the operations of its integrated automation division. The fourth quarter ends July 31.

The aerospace and defense company said the charge amounts to $120 million before taxes, and $70 million of it represents intangible assets.

Pepsi to Increase Polish Investment

WARSAW (Reuters) — Pepsi-Cola International will invest $60 million in Poland during the next five years, a Pepsi vice president, Richard Norton, said Monday.

He told a news conference that since the early 1970s Pepsi had invested $50 million in eight Polish soft-drink plants, which he said produced up to 30 percent of Poland's soft drinks.

"Our investment will be spent on strengthening our leading position on the market where we outsell our biggest competitor three times," Mr. Norton said. Unlike Coca-Cola, which last March announced a $50 million investment, Mr. Norton said Pepsi would not build its own plants but would pump money into its Polish bottling partners to help them catch up on technology and know-how.

SmithKline to Increase Production

PHILADELPHIA (AP) — The international pharmaceutical concern SmithKline Beecham said Monday it plans to invest nearly $35 million to double production of its leading antibiotics.

The company's major drug factories in Britain will be expanded to increase production of potassium clavulanate, the key ingredient in the antibiotics Augmentin and Timentin. The two antibiotics are used to treat infections of the ear, sinus, skin and urinary tract.

Sales of Augmentin rose in 1990 by 34 percent to $793 million, the company said, and Timentin sales rose 14 percent to $108 million.

For the Record

United Airlines, which in April began service to London's Heathrow International Airport from Miami, New York, Washington and San Francisco, wants to fly from Chicago to London's new Stansted airport from Chicago. Its request is opposed by American Airlines, which July 1 begins offering Chicago-Heathrow service. *(Reuters)*

International Business Machines Corp. established Monday a subsidiary, IBM USSR Ltd., in the Soviet Union. *(AP)*

Lloyd's Underwriters Seek Tax Aid

Reuters

LONDON — Britain is considering tax relief to bail out the individuals that underpin Lloyd's of London and ensure the survival of the 300-year-old insurance market.

A spokesman for the British Treasury said Monday it was studying pleas for help from Lloyd's officials and politicians of the governing Conservative Party, many of them Lloyd's "names," the individual underwriters who make up the insurance market.

Many of the more than 26,000 "names" have been exposed to huge losses from disasters, insurance claims and unfortunate reinsurance moves since 1988.

"This could lead to a cash crisis at Lloyd's which could lead to a major British institution crumbling," said Ian Taylor, a Conservative member of Parliament.

Mr. Taylor has taken the lead in efforts to persuade the government to allow Lloyd's underwriters to offset some of their losses against future taxes.

Scottish Power Sale Oversubscribed

Compiled by Our Staff From Dispatches

LONDON — More than three people applied for every share offered in the £2.8 billion ($4.6 billion) sale of Scotland's electricity groups, the government said on Monday.

The sale of shares in Scottish Power PLC and Scottish Hydro-Electric PLC — the latest sell-off of British state assets — attracted 2.2 million applications, or 3.2 for each available share.

The government will allocate shares in a way that favors customers of the companies.

The shares are to be listed on the London Stock Exchange on Tuesday, and are expected to be quoted at around 30 percent higher than their issue value of 100 pence. *(AFP, Reuters)*

WORLD STOCK MARKETS

Agence France Presse June 17

Amsterdam

	Close	Prev.
ABN Amro Hld	38.40	38.30
ACF Holding	40.50	41.30
Aegon	120.90	121
Ahold	84.50	83.50
Akzo	116.80	117
AMEV	54.90	55
A'Dam Rubber	3.75	3.50
Bols	208	208.50
Buhrmann Tett	50.70	51.90
Center Parcs	26.75	26.25
CSM	85.50	85.50
DAF	25.80	25.20
DSM	117	116.60
Elsevier	85.70	85.60
Fokker	36.90	36.60
Gist-Brocades	34.80	34.90
Heineken	152	154
Hoogovens	61.50	60.40
Hunter Douglas	87.70	87.20
IHC Caland	60	61
Inter Mueller	81	81.20
Int'l Nederland	52.40	52.40
KLM	30.60	29.30
KNP	55	54.40
Nedlloyd	57.90	56
Oce Grinten	50	49.80
Pakhoed	196	196.50
Philips	32.60	32.30
Robeco	102.70	102.30
Rodamco	56.60	56.70
Rolinco	102.60	102.30
Rorento	66.40	66.50
Royal Dutch	159.50	159.70
Unilever	164.40	164.80
Van Ommeren	43.20	43.20
VMF Stork	45.60	46.40
VNU	78.20	77.30
Wessanen	85	87
Wolters/Kluwer	54.30	54.40

CBS Gen'l trend Index : 96.20
Previous : 95.90

Brussels

	Close	Prev.
AG Fin	1995	1970
Arbed	4370	4380
Barco	1254	1248
Bekaert	9690	9630
Cockerill	192	192
Cobepa	5110	5110
Delhaize	8080	8080
Electrabel	4425	4460
GB-Inno-BM	1390	1396
GBL	3790	3800
Gevaert	7090	7120
Hoboken	11400	11500
Intercom	199	197.50
Kredietbank	4495	4495
Petrofina	11800	11800
Royal Belge	4110	4110
Soc Gen Bque	5130	5120
Soc Gen Belgique	2340	2340
Sofina	12300	12400
Solvay	13180	13100
Tractebel	3460	3280
UCB	17800	17875
Powerfin	2355	2335

Current Stock Index : 5839.88
Previous : 5844.37

Frankfurt

	Close	Prev.
AEG	196	202.50
Allianz Hold	2395	2410
Altana	610	605.50
Asko	883	874
BASF	258.60	255.50
Bayer	281.50	284.60
Bay. Hypo bank	371	371.50
Bay Vereinsbk	401	397
BBC	680	[illegible]
BHF Bank	407	407
BMW	524.50	525
Commerzbank	260.50	261
Continental	203	198.50
Daimler Benz	779	768
Degussa	363	372.80
Dt Babcock	186.70	188.90
Deutsche Bank	669	670.50
Douglas	828	826
Dresdner Bank	380.50	380.60
Harpener	340	335
Henkel	577	579.50
Hochtief	1430	1430
Hoechst	250.50	250.70
Hoesch	272.50	274
Holzmann	1525	1525
Horten	221	221
IWKA	334.50	335
Kali Salz	170.50	171
Karstadt	684	685
Kaufhof	542.50	550.50
KHD	193	192.50
Kloeckner Werke	153.50	154.50
Krupp Stahl	156	154
Linde	850	847
Lufthansa	135.70	135.50
MAN	393	388.50
Mannesmann	297.50	294.80
Metallgesell	546.50	[illegible]
Moench Rueck	2460	2460
Nixdorf	273	273.20
PKI	507	507
Porsche	885	865
Preussag	370	366.30
PWA	288	293
RWE	414.50	413.50
Rheinmetall	370	366
Schering	802	804.20
SEL	347	357
Siemens	668.20	666
Thyssen	242.40	245.70
Varta	352	356
Veba	366.80	365
VEW	209.20	210
Viag	376.50	361.20
Volkswagen	412.70	406.60
Wella	708	705

DAX Index : 1791.87
Previous : 1809.82
FAZ Index : 717.73
Previous : 713.94

Helsinki

	Close	Prev.
Amer A	61	60.50
Enso-Gutzeit	19.50	19.50
K.O.P.	34	34
Kymmene	87	70
Metra	75.10	75.50
Nokia	111	111
Pohjola	95	90
Repola	55	56
Stockmann	134	134

HEX Index : 1026.10
Previous : 1029.40

Market Closed

The stock market in Hong Kong was closed Monday for a holiday.

Johannesburg

	Close	Prev.
AECI	14.15	14.05
Altech	89.50	89.50
Anglo Amer	118.25	118.50
Barlows	41.50	41
Blyvoor	8.50	8.50
Buffels	39.50	39.50
De Beers	77.35	77.50
Driefontein	39.75	40.75
Gencor	12.45	12.15
GFSA	78.25	78.25
Harmony	20	20
Highveld Steel	16.25	16.25
Kloof	31.75	32
Nedbank Grp	13.85	13.85
Randfontein	13.40	13.75
Rusplat	75.50	76
SA Brews	53	53.15
St Helena	27	27.75
Sasol	14.40	14.25
Welkom	16.75	16.75
Western Deep	126.50	129.50

Composite Stock Index : 3279
Previous : 3284

London

	Close	Prev.
Abbey Nat'l	2.74	2.75
Allied Lyons	5.58	5.52
Argyll Group	3.82	3.83
ASDA Group	1.83	1.86
Ass Brit Foods	5.35	5.35
BAA	4.42	4.37
BAe	5.88	5.83
Barclays	4.53	4.51
Bass	9.72	9.64
BAT	7.30	7.20
BET	1.72	1.79
Blue Circle	2.44	2.41
BOC Group	5.69	5.64
Boots	3.86	3.95
BP	3.39	3.33
Brit Airways	1.75	1.71
Brit Gas	2.50	2.49
Brit Steel	1.33	1.34
Brit Telecom	3.78	3.80
BTR	3.88	3.94
Cable Wire	5.50	5.46
Cadbury Sch	3.57	3.59
Comm Union	4.99	4.92
Courtaulds	4.81	4.83
Enterprise Oil	5.10	5.15
Eurotunnel	4.67	4.65
Fisons	5.03	4.95
GEC	1.92	1.93
Gen'l Acc	5.36	5.28
Glaxo	12.85	12.77
Grand Met	7.64	7.70
GRE	2.03	1.99
Guinness	8.83	8.80
GUS	15.10	15.10
Hanson Trust	2.17	2.16
Hawker Sidd	5.85	5.77
Hillsdown	2.27	2.26
ICI	13.12	12.90
Kingfisher	4.86	4.87
Ladbroke	2.65	2.67
Land Sec	5	5.05
Laporte	5.25	5.29
Legal Gen Grp	4.36	4.31
Lloyds Bank	3.33	3.37
Lonrho	2.42	2.43
Lucas Ind	1.51	1.55
Marks Sp	2.49	2.54
Maxwell	2.06	2.07
MEPC	4.74	4.72
Midland Bk	2.06	2.12
Nat'l Power	1.41	1.41
NatWest	3.10	3.12
NthWst Water	2.87	2.86
PowerGen	1.47	1.47
Prudential	2.39	2.37
Racal Elec	2.18	2.19
Rank Org	6.80	6.82
Reckitt Col	15.88	15.85
Redland	5.61	5.63
Reed Int'l	4.15	4.30
Reuters	8.20	8.24
Rolls Royce	1.56	1.54
Rothmans	9.12	9.15
Royal Ins.	4.47	4.36
Royal Scot	1.78	1.79
RTZ	5.57	5.47
Sainsbury	3.68	3.72
Scot Newcas	3.94	3.93
Sears Holds	0.78	0.78
Severn Trent	2.54	2.54
Shell	5.17	5.14
Smith Nephew	1.35	1.33
SmithKline B	7.90	7.80
Sun Alliance	3.76	3.48
Tarmac	2.25	2.23
Tate & Lyle	3.88	3.87
Tesco	2.76	2.76
THF	32	32.25
Thorn EMI	7.32	7.35
Trafalgar Hse	2.56	2.56
TSB Group	1.44	1.48
Ultramar	2.88	2.85
Unilever	7.47	7.42
Utd Biscuits	3.65	3.61
War Loan 3½	34.19	34.31
Wellcome	6.44	6.40
Whitbread	5.07	5.01
Williams Hdgs	3.06	3.06

F.T. 30 Index : 1772.40
Previous : 1774.30
F.T.S.E. 100 Index : 2524.80
Previous : 2522.30

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3365	3380
Banco Central	4205	4215
Bco. Santander	5370	5390
Banesto	3900	3980
CEPSA	2330	2325
Dragados	2840	2850
Iberduero	698	697
Telefonica	998	997

S.E. General Index : 284.20
Previous : 284.80

Milan

	Close	Prev.
Alenia	2890	2890
Banca Comm	4950	4901
Bastogi	246	235
Cigahotels	2925	2854
CIR	3130	3050
Cred Ital	2770	2745
Enichem	1504	1490
Eridania	7320	7320
Ferfin	2380	2310
Ferfin Risp	1435	1405
Fiat SPA	6575	6530
Generali	35750	35350
IFI	16900	16675
Italcem	23400	23000
Italgas	3170	3179
Italmobiliare	77050	75700
Mediobanca	16730	16450
Montedison	1625	1540
Olivetti	4280	4150
Pirelli	2045	2010
RAS	21500	20650
Rinascente	7280	7250
Saipem	1555	1605
SIP	1280	1260
SME	3300	3210
Snia	1645	1580
Standa	35950	35400
Stet	2144	2140
Toro Assi Risp	25800	25400

MIB current Index : 1194
Previous : 1182

Montreal

	Close	Prev.
Alcan Aluminum	24⅛	24
Bank Montreal	35½	35⅜
Bell Canada	41⅛	42⅛
Bombardier A	22⅞	23
Bombardier B	22⅝	22¾
Cambior	10	10
Cascades	4.70	4.65
Dominion Text A	8⅞	8⅞
Donohue	N.Q.	—
MacMillan Bl	20⅜	20⅜
Memotec	9½	9½
Nat'l Bk Canada	11	11⅛
Power Corp.	16⅛	16⅛
Provigo	12¼	12½
Quebec Tel	15⅛	15⅛
Quebecor A	N.Q.	—
Quebecor B	16½	16½
Videotron	14⅛	14⅛

Industrials Index : 1557.50
Previous : 1561.10

Paris

	Close	Prev.
Accor	795	798
Air Liquide	679	683
Alcatel Alsthom	586	588
Avions Dassault	477	478
Bancaire (Cie)	513	521
BIC	726	736
Bongrain	2401	2387
Bouygues	602	612
BSN-GD	904	903
Carrefour	2058	2086
Cerus	131.50	134
Chargeurs	782	773
Club Med	457.10	462.50
Elf-Aquitaine	368	368.90
Europe 1	1040	1075
Gen. Eaux	2710	2700
Hachette	187	191.40
Havas	479.20	490
Imetal	324	326
Lafarge Coppee	394.50	397.50
Legrand	3526	3530
Oreal (L')	592	598
L.V.M.H.	4250	4300
Matra	222	226
Merlin Gerin	500	502
Michelin B	104.70	106.40
Moulinex	142	145
Occidentale	782	782
Paribas	463	465.50
Pernod-Ricard	1177	1204
Perrier	1508	1519
Peugeot	677	622
Printemps (Au)	625	625
Radiotechnique	527	520
Raff. St. Louis	1440	1587
Redoute (La)	3660	3680
Roussel Uclaf	2021	2018
Saint Gobain	459.50	458.50
Sanofi	881	890
S.E.B.	1570	1605
Skis Rossignol	678	676
Ste Generale A	402	410.50
Suez	366.90	367.50
Thomson-CSF	148	148
Total	820	818
Valeo	477	475

CAC 40 Index : 1844.85
Previous : 1858.17

Sao Paulo

	Close	Prev.
Banco do Brasil	79.50	82.50
Bradesco	7.80	8.17
Brahma	38.50	39.40
Paranapanema	4.06	4.36
Petrobras	897	901
Vale Rio Doce	161	159
Varig	32.50	34.40

Bovespa Index : 12183
Previous : 12572

Singapore

	Close	Prev.
City Dev.	3.50	3.50
DBS	12.20	12.20
Fraser Neave	8.95	8.80
Harrisons Plant	1.37	1.37
Haw Par	2.50	2.51
Hume	3.78	3.68
Inchcape	4.48	4.44
Keppel	7.85	7.80
KL Kepong	2.69	2.73
Lum Chang	1.15	1.15
Malayan Banks	4.64	4.70
OCBC	8.75	8.80
OUB	5.45	5.45
OUE	7.45	7.45
Sembawang	7.15	7.85
Shangrila	6.10	6.10
Sime Darby	2.32	2.58
SIA	13.40	12.50
S'pore Land	6.30	6.30
S'pore Press	9.85	9
Sing Steamship	2.91	2.96
Straits Trading	2.92	2.90
UOB	6.85	6.80
United Overseas	1.69	1.69

Straits Times Ind. : 1534.88
Previous : 1527.50

Stockholm

	Close	Prev.
AGA	320	315
Alfa Laval	252	254
Asea	578	578
Astra -A	593	588
Atlas Copco	249	250
Electrolux B	274	275
Ericsson	203	198
Esselte-A	150	150
Handelsbanken	120	121
Norsk Hydro	198.50	198
Procordia AF	195	195
Saab-Scania	289	290
Sandvik	338	335
SCA-A	118	115
S-E. Banken	74	72.50
Skandia F	180	180
Skanska	365	370
SKF	112	109
Stora	380	370
Trelleborg B	136	135
Volvo	378	366

Affaersvaerlden : 1104.40
Previous : 1095.10

Sydney

	Close	Prev.
ANZ	3.58	3.58
BHP	12.65	12.50
Boral	3.39	3.34
Bougainville	0.81	0.81
Coles Myer	11.06	11
Comalco	3.85	3.75
CRA	13.40	13.05
CSR	5.56	5.48
Dunlop	5.28	5.24
Fosters Brew	1.56	1.53
ICI Australia	4.10	4.06
Magellan	2.10	2.10
MIM	1.81	1.78
Nat Aust Bank	6.48	6.44
News Corp	8.42	8.20
Nine Network	0.53	0.53
N Broken Hill	2.27	2.18
Poseidon	1.17	1.24
QCT Resources	1.25	1.22
Santos	3.57	3.52
TNT	1	1.01
Western Mining	4.99	4.95
Westpac Banking	4.63	4.54
Woodside	3.37	3.33

All ordinaries Index : 1522.30
Previous : 1507.40

Tokyo

	Close	Prev.
Akai Electr	1220	1220
Asahi Chemical	776	770
Asahi Glass	1310	1340
Bank of Tokyo	1400	1410
Bridgestone	1080	1080
Canon	1500	1540
Casio	1460	1480
C.Itoh	663	668
Dai Nippon Print	1580	1560
Daiwa House	1920	1870
Daiwa Securities	1280	1290
Fanuc	5450	5530
Fuji Bank	2710	2680
Fuji Photo	3430	3450
Fujitsu	1090	1100
Hitachi	1110	1140
Hitachi Cable	1150	1160
Honda	1490	1500
Ito Yokado	4460	4470
Japan Airlines	1180	1150
Kajima	1500	1500
Kansai Power	2800	2830
Kawasaki Steel	406	411
Kirin Brewery	1500	1490
Komatsu	850	869
Kubota	735	740
Kyocera	6410	6530
Matsu Elec Inds	1680	1690
Matsu Elec Wks	1590	1590
Mitsubishi Bk	2740	2750
Mitsubishi Kasei	585	598
Mitsubishi Elec	720	725
Mitsubishi Hev	725	725
Mitsubishi Corp	1270	1270
Mitsui and Co	730	745
Mitsukoshi	1260	1270
Mitsumi	1640	1650
NEC	1430	1460
NGK Insulators	1120	1120
Nikko Securities	1030	1010
Nippon Kogaku	1250	1250
Nippon Oil	1050	1060
Nippon Steel	432	430
Nippon Yusen	626	635
Nissan	732	732
Nomura Sec	2000	2010
NTT (SF)	9381	9470
Olympus Optical	1280	1280
Pioneer	4030	4070
Ricoh	722	737
Sanyo Elec	575	577
Sharp	1560	1590
Shimazu	803	805
Shinetsu Chem	1640	1670
Sony	6220	6260
Sumitomo Bk	2390	2390
Sumitomo Chem	490	495
Sumi Marine	927	936
Sumitomo Metal	443	459
Taisei Corp	942	944
Taisho Marine	960	966
Takeda Chem	1530	1530
TDK	5980	6000
Teijin	584	598
Tokyo Marine	1230	1240
Tokyo Elec Pw	3660	3490
Toppan Printing	1470	1460
Toray Ind.	623	633
Toshiba	764	758
Toyota	1830	1830
Yamaichi Sec	1000	1000

Nikkei 225 : 24907
Previous : 25094
Topix Index : 1912
Previous : 1921

Toronto

	Close	Prev.
Abitibi Price	15⅛	15½
Agnico Eagle	6	5⅞
Air Canada	9⅝	9⅝
Alberta Energy	13¼	13¼
Am Barrick Res	24⅝	24⅞
BCE	41⅛	42
BCED	0.13	0.12
Bk Nova Scotia	17½	17¾
BC Gas	15⅛	15⅛
BC Phone	19¾	19¾
BP Canada	14⅛	14½
Bramalea	7	7
Brunswick	7⅛	7⅛
CAE	6⅞	6⅝
Campeau	0.50	0.47
CIBC	31⅜	31⅞
Canadian Pacific	20	20
Can Packers	15⅝	15⅞
Can Tire A	24⅝	25
Canadian Turbo	2½	2½
Cantor	27¾	27¾
Cara	19⅛	18⅞
CCL Ind B	11⅛	11⅛
Cineplex	6¼	6⅜
Cominco	25	25
Conwest Expl A	13⅛	13¼
Corona A	N.Q.	—
Denison Min B	0.37	0.35
Dickenson Min A	2.80	N.Q.
Dofasco	28⅝	28⅝
Dylex A	4.80	4.70
Echo Bay Mines	10⅛	10⅛
Equity Silver A	1.11	1.11
FCA Int'l	6	6
Fed Ind A	6⅞	7
Fletcher Chall A	17⅛	18
FPI	7⅛	7⅛
GoldCorp	3½	3.40
Gulf Cda Res	8⅞	9
Hees Int'l	19⅛	19⅛
Hemlo Gld Mines	10	10⅛
Hollinger	12⅞	12¾
Horsham	10⅞	10⅞
Hudson's Bay	36½	36½
Imasco	31⅛	31⅛
Inco	40⅞	40⅞
Interprov pipe	29⅝	29⅞
Jannock	16⅛	16⅛
Labatt	23⅞	23⅞
Loblaw Co	20½	20½
Mackenzie	6⅛	6⅛
Magna Int'l A	11¾	11⅛
Maritime	18⅞	19
Mark Res	7⅞	7⅞
MacLean Hunter	10⅛	10⅛
Molson A	44⅛	44
Noma Ind A	8	8¼
Noranda	20	19⅞
Noranda Forest	10⅛	10
Norcen Energy	22⅛	22⅞
Nova Corp	8⅞	9
Oshawa	29⅝	29⅝
Pasarin A	6⅞	6⅞
Placer Dome	15½	15⅞
Poco Petroleum	7⅞	7⅞
PWA Corp	7⅞	7⅞
Quebec Sturgeon	N.Q.	0.32
Rayrock	8⅛	8⅛
Renaissance	15⅛	15⅛
Rogers B	10⅛	10½
Rothmans	59⅛	59⅛
Royal Bank Can	25⅛	25⅛
Royal TrustCo	10⅛	10⅛
Sceptre Res	3⅛	3⅛
Scott's Hosp	18⅛	18⅛
Seagram	122⅛	122½
Sears Can	14⅛	13⅞
Shell Can	42⅛	42⅛
Sherritt Gordon	7⅛	7⅛
SHL Systemhse	6⅛	6½
Southam	18⅛	18⅛
Spar Aerospace	13	12⅞
Stelco A	7	7⅛
Teck B	22	22⅛
Thomson News	16	15⅞
Toronto Domn	18⅞	19⅛
Torstar B	25⅛	25
Transalta Util	12½	12½
TransCda Pipe	17⅛	17⅛
Trilon Finl A	12⅛	12⅛
Trimac	8⅛	8⅛
Trizec A	14½	14⅞
Unicorp A	0.95	0.97
Woodward's Ltd	3.95	3.80

TSE 300 Index : 3547.30
Previous : 3559.30

Zurich

	Close	Prev.
Adia Intl	755	761
Alusuisse	1180	1180
Leu Holdings	1630	1670
Brown Boveri	4570	4530
Ciba Geigy	3060	3030
CS Holding	1925	1915
Elektrow	2890	2980
Fischer	1555	1530
Interdiscount	3230	3260
Jacobs Suchard	N.A.	8500
Jelmoli	1440	1415
Landis Gyr	1120	1115
Moevenpick	4360	4370
Nestle	8660	8610
Oerlikon-B	490	495
Pargesa Hld	1210	1200
Roche Holding B	4875	4865
Safra Republic	90	87
Sandoz	2270	2260
Schindler	5450	5470
Sulzer	409	408
Surveillance	8170	8160
Swissair	820	815
SBC	333	332
Swiss Reinsur	565	565
Swiss Volksbank	1400	1400
Union Bank	3640	3650
Winterthur	4040	4030
Zurich Ins	2220	2240

SBS Index : 631.50
Previous : 628.90

For investment information read THE MONEY REPORT

U.S. FUTURES

Via Associated Press June 17

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.43	2.62	Jul	2.92	2.93	2.87½	2.89½	—.03½
3.26	2.69½	Sep	2.97¾	2.99	2.93	2.94¾	—.04
3.25	2.81½	Dec	3.09½	3.10	3.04	3.05½	—.04¾
3.70¾	2.89¾	Mar	3.14	3.15	3.10¾	3.11¾	—.03¼
3.31	3.07¾	May	3.09	3.09	3.05	3.05	—.03¼
3.11	3.00	Jul	3.01½	3.01½	2.99	2.99	—.01
Est. Sales		Prev. Sales 16,787					
Prev. Day Open Int. 61,654 off 51							

WHEAT (KCBT)
5,000 bu minimum- dollars per bushel

	Open	High	Low	Close	Chg.
Jul	2.86½	2.87¾	2.84	2.84¾	— .03½
Sep	2.92	2.92½	2.88¼	2.89¾	— .04¼
Dec	3.01	3.02	2.98	2.98½	— .04
Mar	3.06	3.06	3.03½	3.03	— .03½
May	2.99½	2.99½	2.98	2.98	— .02
Jul	2.96½	2.96½	2.94½	2.96	

Est.Sales Prv.Sales Prev.Day Open Int Chg. unch

Season High	Season Low		Open	High	Low	Close	Chg.
CORN (CBT) 5,000 bu minimum- dollars per bushel							
3.08¼	2.35½	Jul	2.41	2.41¾	2.37¼	2.38¼	—.03½
2.87½	2.38¾	Sep	2.40¾	2.41¾	2.36¼	2.37	—.04¼
2.75	2.40	Dec	2.41¾	2.43	2.37	2.37¾	—.04¼
2.75¼	2.47½	Mar	2.49½	2.50½	2.45	2.45½	—.04½
2.79½	2.52½	May	2.54	2.54	2.50¼	2.50½	—.05
2.82	2.57	Jul	2.59½	2.60¼	2.55¼	2.55½	—.04¾
2.59	2.54	Sep	2.55½	2.55½	2.54½	2.54½	—.02
2.59¾	2.52½	Dec	2.55	2.57	2.54	2.54½	—.01
Est. Sales		Prev. Sales 36,683					
Prev. Day Open Int.203,447 up 525							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.18	5.66½	Jul	5.65½	5.67¾	5.60½	5.62½	—.05
6.95	5.70	Aug	5.69½	5.71	5.63¾	5.65¼	—.05¼
6.54	5.71¼	Sep	5.70	5.72½	5.64	5.66½	—.05¼
6.74	5.77	Nov	5.76½	5.78½	5.70	5.73¼	—.04¾
6.49½	5.89	Jan	5.88¼	5.89	5.80½	5.83½	—.05½
6.60	5.99½	Mar	5.99½	5.99¾	5.91½	5.93¾	—.05¼
6.62½	6.10	May	6.07	6.08	6.01	6.02½	—.07½
6.29¾	5.94	Nov	5.97	6.07	5.97	5.98¾	+.02¼
Est. Sales		Prev. Sales 30,513					
Prev. Day Open Int.103,435 up 1,580							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
209.00	167.90	Jul	173.20	173.30	170.90	171.10	—2.20
195.50	169.90	Aug	174.00	174.30	171.20	171.60	—2.50
193.50	171.70	Sep	174.30	174.70	171.30	171.80	—2.60
189.00	172.50	Oct	175.10	175.20	171.80	172.00	—3.10
191.50	174.00	Dec	177.80	177.70	173.30	174.80	—3.20
190.50	177.00	Jan	178.50	178.50	174.70	175.10	—3.10
1180.00	178.80	Mar	180.40	181.80	177.00	177.00	—3.00
191.00	179.80	May	182.50	182.50	180.50	178.00	—2.50
184.00	181.50	Jul				179.50	—3.00
Est. Sales		Prev. Sales 12,132					
Prev. Day Open Int. 54,116 off 487							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.60	19.31	Jul	19.34	19.44	19.17	19.24	—.09
25.50	19.48	Aug	19.49	19.63	19.34	19.43	—.06
25.10	19.67	Sep	19.67	19.80	19.54	19.62	—.05
24.90	19.93	Oct	19.87	19.98	19.72	19.80	—.06
24.95	20.25	Dec	20.32	20.36	20.06	20.21	—.04
24.15	20.27	Jan	20.45	20.55	20.42	20.37	—.05
23.50	20.18	Mar	20.75	20.90	20.59	20.71	—.04
23.62	21.00	May	21.05	21.05	20.90	21.01	+.01
22.50	21.65	Jul				21.27	+.07
22.10	22.10	Aug				21.35	+.10
Est. Sales		Prev. Sales 11,588					
Prev. Day Open Int. 74,034 up 1,590							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
78.37	72.15	Jun	74.30	74.90	74.50	74.75	—.07
73.80	70.35	Aug	73.40	73.40	72.50	72.10	—.37
76.90	70.70	Oct	75.25	75.25	74.92	75.10	—.22
77.00	71.75	Dec	76.15	76.25	75.90	76.20	—.02
76.70	72.80	Feb	75.50	75.75	75.42	75.72	
77.00	73.25	Apr	76.10	76.10	75.95	76.10	—.02
75.15	73.82	Jun	74.55	74.55	74.30	74.50	—.07
Est. Sales 11,471		Prev. Sales 8,691					
Prev. Day Open Int. 68,085 off 1,341							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
89.80	80.20	Aug	88.55	88.65	88.27	88.45	
88.10	79.75	Sep	87.45	87.60	87.10	87.55	+.10
87.90	80.20	Oct	87.15	87.20	86.85	87.20	—.07
87.85	81.20	Nov	87.10	87.25	86.85	87.10	—.10
87.70	84.00	Jan	87.00	87.00	86.90	87.00	—.10
87.10	84.75	Mar	86.00	86.00	86.00	86.05	—.15
87.00	84.50	Apr				85.95	
86.50	85.00	May				85.20	
Est. Sales		Prev. Sales 879					
Prev. Day Open Int. 13,580 off 18							
HOGS (CME) 40,000 lbs.- cents per lb.							
59.30	47.20	Jun	56.35	56.85	55.95	56.67	+.50
58.57	48.30	Jul	54.15	54.80	53.77	54.75	+.48
55.50	46.90	Aug	50.75	51.30	50.40	51.25	+.40
49.55	42.90	Oct	45.95	46.25	45.85	46.17	—.07
48.92	44.50	Dec	46.52	46.80	46.20	46.72	+.10
48.25	44.50	Feb	46.35	46.35	46.10	46.35	—.35
46.62	44.85	Apr	44.65	44.65	44.35	44.50	—.35
50.40	49.00	Jun	49.05	49.05	49.00	48.80	—.35
Est. Sales		Prev. Sales 3,930					
Prev. Day Open Int. 21,161 off 200							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
72.80	50.75	Jul	54.92	54.92	53.62	53.67	—1.95
70.85	51.60	Aug	52.20	52.20	51.00	51.85	—1.95
63.50	53.50	Feb	53.30	53.30	51.65	51.85	—1.95
61.00	53.40	Mar				51.30	—2.00
58.20	53.20	May				51.20	—1.60
57.80	56.50	Jul				51.20	—1.70
Est. Sales		Prev. Sales 3,217					
Prev. Day Open Int. 10,605 up 83							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
111.50	83.90	Jul	84.95	84.50	84.00	84.30	
113.50	86.00	Sep	86.50	86.70	86.20	86.50	—.10
114.00	89.15	Dec	89.40	89.95	89.50	89.95	+.05
107.50	92.20	Mar	92.65	93.00	92.60	93.00	—.10
108.00	94.50	May	94.85	95.30	94.85	95.30	+.15
108.00	97.00	Jul	96.50	97.00	96.50	97.40	+.40
108.00	98.75	Sep				99.00	+.10
Est. Sales 6,677		Prev. Sales					
Prev. Day Open Int.							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
14.90	7.55	Jul	9.30	9.62	9.20	9.58	+.34
14.40	7.45	Oct	8.35	8.77	8.35	8.73	+.45
10.14	7.56	Mar	8.30	8.60	8.30	8.60	+.35
9.77	7.45	May	8.40	8.45	8.40	8.45	+.37
8.85	7.85	Jul	8.62	8.67	8.62	8.72	+.31
8.85	8.85	Oct				8.85	+.24
Est. Sales 29,671		Prev. Sales					
Prev. Day Open Int.							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1590	911	Jul	939	942	900	926	+12
1515	945	Sep	960	974	960	977	+13
1535	1014	Dec	1007	1040	1007	1027	+10
1536	1061	Mar	1055	1083	1054	1072	+8
1385	1090	May	1090	1110	1090	1100	+6
1385	1120	Jul	1120	1142	1116	1130	
1220	1150	Sep	1143	1146	1143	1141	+3
		Dec				1204	
		Mar				1244	
1282	1282	May				1271	+3
Est. Sales 4,551		Prev. Sales					
Prev. Day Open Int.							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
180.00	102.50	Jul	116.50	117.70	116.00	117.15	+1.05
127.80	106.00	Sep	118.75	119.70	118.60	119.30	+1.50
121.00	111.00	Nov	118.70	119.00	118.40	118.50	+1.05
120.50	113.40	Jan	117.90	118.50	117.90	118.10	+1.05
120.80	113.60	Mar	118.00	118.40	118.00	118.10	+1.05
117.00	117.00	May				118.10	+1.05
Est. Sales 800		Prev. Sales 598					
Prev. Day Open Int. 6,209 off 60							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
115.00	96.00	Jun	98.30	99.00	98.30	98.40	—.30
113.50	96.85	Jul	98.70	99.40	98.00	98.75	—.30
109.00	96.10	Aug	97.65	97.80	97.30	97.85	
118.50	95.40	Sep	97.10	98.10	96.80	97.45	—.05
106.90	95.30	Oct				97.85	
105.00	95.10	Nov				96.65	
108.50	94.50	Dec	96.10	96.70	95.80	96.25	+.05
104.50	95.00	Jan				95.95	+.10
105.10	95.00	Feb				95.50	+.10
106.80	93.90	Mar	95.10	95.50	95.10	95.15	+.15
99.10	93.50	Apr				94.75	+.15
106.20	93.30	May	94.80	94.80	94.80	94.40	+.15
103.80	92.80	Jul	93.40	94.15	93.35	93.80	+.15
103.45	92.80	Sep	92.80	93.60	92.80	93.25	+.15
100.50	91.60	Dec	92.50	93.10	92.30	92.75	+.15
93.30	93.30	Jan				92.45	+.15
96.65	92.80	Mar				92.20	+.15
Est. Sales 3,500		Prev. Sales					
Prev. Day Open Int. 40,365 off 276							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
455.0	389.5	Jun	440.0	440.0	440.0	443.4	+1.8
647.5	360.1	Jul	441.0	445.0	439.0	444.5	+1.8
		Aug				447.3	+1.8
654.0	367.5	Sep	447.5	451.0	445.0	450.0	+1.8
623.5	374.0	Dec	455.0	459.0	453.0	457.9	+1.8
596.0	402.0	Jan				460.3	+1.8
613.0	382.0	Mar	463.0	464.0	462.0	466.5	+1.8
589.0	385.0	May	469.5	471.0	469.5	472.4	+1.8
557.0	395.0	Jul				478.3	+1.8
482.5	412.0	Sep				484.9	+1.8
507.0	400.0	Dec	489.5	494.0	489.5	495.0	+1.8
505.0	440.0	Jan				498.6	+1.8
513.0	457.0	Mar				505.4	+1.8
Est. Sales 15,000		Prev. Sales					
Prev. Day Open Int.108,901 off 1,186							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
383.50	364.00	Jun				369.70	+.80
528.50	366.00	Jul	377.00	371.80	369.50	369.90	+.80
513.00	370.50	Oct	374.80	376.00	374.00	374.50	+.80
451.50	374.50	Jan	380.00	380.50	378.50	378.60	+.60
438.50	378.00	Apr	384.00	384.00	382.50	382.60	+.60
427.50	388.80	Jul				386.60	+.60
Est. Sales 2,272		Prev. Sales					
Prev. Day Open Int.							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
125.25	80.00	Jun				95.90	+.10
119.40	80.75	Sep	96.50	97.00	96.50	97.00	+.10
114.50	82.50	Dec	98.50	98.50	98.50	98.10	+.10
135.75	88.75	Mar				99.10	+.10
100.50	100.50	Jun				100.60	+.10
Est. Sales 49		Prev. Sales					
Prev. Day Open Int.							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
446.20	352.40	Jun	367.50	368.40	367.30	368.20	+1.10
365.50	357.00	Jul				369.20	+1.00
468.00	333.90	Aug	370.20	371.10	369.60	370.80	+1.00
476.00	359.30	Oct	373.50	374.30	372.90	374.00	+1.00
483.00	362.00	Dec	377.30	377.90	376.50	377.60	+1.00
454.50	366.80	Feb				381.00	+1.00
446.00	369.70	Apr	383.20	384.50	383.20	384.40	+1.00
467.00	375.80	Jun				387.90	+1.00
426.50	377.50	Aug				391.50	+1.00
410.80	389.50	Oct				395.20	+1.00
406.80	383.50	Dec				399.20	+1.00
		Feb				403.40	+1.00
410.00	404.50	Apr				407.50	+1.00
Est. Sales 14,000		Prev. Sales					
Prev. Day Open Int. 91,953 off 3,203							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
94.62	91.52	Jun	94.35	94.36	94.33	94.35	—.01
94.55	91.40	Sep	94.23	94.23	94.19	94.20	—.02
94.16	92.24	Dec	93.82	93.83	93.79	93.80	—.01
94.03	93.42	Mar				93.70	
93.50	93.15	Jun				93.31	+.01
		Sep				93.20	
Est. Sales		Prev. Sales 9,378					
Prev. Day Open Int. 49,250 off 1,918							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
101.285	99.010	Jun	100.070	100.070	100.030	100.030	—.010
100.230	98.275	Sep	99.185	99.185	99.140	99.140	—.005
98.275	98.190	Dec				98.285	—.005
Est. Sales		Prev. Sales 14,647					
Prev. Day Open Int. 62,747 off 1,314							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
100-21	93-18	Jun	97-27	97-27	97-22	97-22	—1
100-1	96-1	Sep	97-5	97-5	96-30	96-30	—2
98-12	95-15	Dec	96-13	96-14	96-11	96-11	—2
97-5	95-8	Mar				95-26	—2
Est. Sales		Prev. Sales 19,987					
Prev. Day Open Int. 84,178 up 869							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
99-4	82-18	Jun	94	94	93-19	93-20	—6
99-5	85-29	Sep	93-8	93-8	92-25	92-26	—6
98-20	85-19	Dec	92-13	92-15	92-4	92-4	—6
98-13	85-14	Mar	91-24	91-25	91-18	91-18	—6
97-19	85-3	Jun	91-9	91-9	91-2	91-2	—6
95-8	85-14	Sep	90-24	90-25	90-19	90-19	—6
94-11	85-6	Dec				90-5	—6
Est. Sales		Prev. Sales260,476					
Prev. Day Open Int.256,541 up 1,786							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
92-2	84-26	Jun	91-9	91-10	91-7	91-8	
92-11	84-7	Sep	90-1	90-5	89-29	89-30	—2
91-11	88-16	Dec				89-4	—2
Est. Sales		Prev. Sales 2,289					
Prev. Day Open Int. 6,742 off 150							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
93.96	89.91	Jun	93.80	93.82	93.80	93.81	
93.77	90.04	Sep	93.48	93.49	93.44	93.45	—.02
93.33	90.04	Dec	92.90	92.92	92.87	92.88	—.01
93.17	90.09	Mar	92.76	92.77	92.74	92.74	—.01
92.77	90.35	Jun	92.32	92.33	92.30	92.30	—.01
92.44	90.32	Sep	91.94	91.95	91.92	91.92	—.01
92.10	90.24	Dec	91.64	91.64	91.59	91.61	—.01
92.03	90.28	Mar	91.61	91.62	91.58	91.59	—.01
91.89	90.27	Jun	91.49	91.50	91.47	91.48	—.01
91.81	90.27	Sep	91.37	91.39	91.35	91.36	—.01
91.66	90.22	Dec	91.17	91.19	91.15	91.16	—.01
91.66	90.34	Mar	91.17	91.19	91.15	91.16	—.01
91.57	90.49	Jun	91.10	91.11	91.07	91.09	
91.52	90.36	Sep	91.03	91.04	91.01	91.02	
91.44	90.71	Dec	90.87	90.91	90.89	90.89	+.01
91.09	90.75	Mar	90.88	90.88	90.86	90.86	+.01
Est. Sales		Prev. Sales216,806					
Prev. Day Open Int.894,833 up 4,344							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9400	1.6260	Jun	1.6230	1.6256	1.6210	1.6224	—104
1.9340	1.6070	Sep	1.6044	1.6074	1.5996	1.6044	—84
1.7900	1.5910	Dec	1.5918	1.5910	1.5850	1.5898	—90
		Mar				1.5772	—78
Est. Sales		Prev. Sales 14,842					
Prev. Day Open Int. 42,887 up 782							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8753	.7995	Jun	.8754	.8756	.8750	.8752	+2
.8702	.7985	Sep	.8698	.8705	.8696	.8704	+8
.8658	.8175	Dec	.8653	.8660	.8653	.8657	+8
.8606	.8268	Mar				.8617	+8
.8575	.8380	Jun				.8578	+8
.8488	.8430	Sep				.8534	+8
Est. Sales		Prev. Sales 9,535					
Prev. Day Open Int. 37,191 off 1,089							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6870	.5325	Jun	.5559	.5564	.5552	.5558	—15
.6810	.5486	Sep	.5521	.5532	.5513	.5527	—6
.6770	.5455	Dec	.5492	.5497	.5475	.5493	—7
.5940	.5425	Mar				.5467	—7
Est. Sales		Prev. Sales 52,671					
Prev. Day Open Int. 92,708 off 2,219							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008010	.006645	Jun	.007083	.007089	.007076	.007080	—24
.007870	.007003	Sep	.007057	.007075	.007050	.007073	—7
.007559	.006997	Dec	.007045	.007045	.007045	.007059	—3
.007302	.007000	Mar	.007087	.007087	.007087	.007058	—4
.007220	.007150	Jun				.007058	—9
Est. Sales		Prev. Sales 29,745					
Prev. Day Open Int. 68,326 off 13							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8084	.6461	Jun	.6476	.6476	.6454	.6469	—27
.8055	.6432	Sep	.6442	.6449	.6426	.6445	—30
.8090	.6409	Dec	.6418	.6420	.6405	.6423	—19
.4995	.6541	Mar				.6413	—16
Est. Sales		Prev. Sales 23,379					
Prev. Day Open Int. 53,863 off 1,245							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
94.45	65.67	Jul	84.05	85.03	84.00	84.57	+.22
83.30	66.77	Oct	79.00	80.10	78.90	79.90	+.39
76.35	63.75	Dec	74.70	75.50	74.35	75.44	+.84
77.15	64.45	Mar	75.60	76.20	75.25	76.20	+.80
92.25	65.10	May	76.00	76.30	76.00	76.20	+.55
77.70	64.50	Jul	76.20	76.50	76.20	76.20	+.48
		Oct	67.00	68.80	68.80	68.50	+1.75
Est. Sales 5,000		Prev. Sales 5,594					
Prev. Day Open Int. 44,888 off 12							
HEATING OIL (NYME) 42,000 gal- cents per gal							
85.00	48.00	Jul	53.85	54.25	53.70	53.75	+.07
85.07	49.00	Aug	54.55	54.95	54.50	54.65	+.17
84.28	50.25	Sep	56.00	56.40	55.85	55.85	—.10
85.00	51.30	Oct	57.45	57.60	57.30	57.30	+.13
78.00	52.30	Nov	58.40	58.65	58.40	58.45	+.16
82.42	53.30	Dec	59.45	59.60	59.30	59.40	+.21
68.50	53.40	Jan	59.75	59.85	59.60	59.85	+.36
61.30	52.25	Feb	58.50	58.90	58.80	58.85	+.41
59.50	51.40	Mar	56.20	56.75	56.20	56.45	+.46
57.50	50.00	Apr	54.60	54.80	54.55	54.70	+.46
55.75	48.25	May	53.20	53.50	53.20	53.40	+.71
55.20	48.00	Jun	52.60	52.70	52.70	52.70	+.81
54.00	52.15	Jul	52.60	52.60	52.60	52.60	+.96
53.40	52.75	Aug	53.25	53.25	53.25	53.25	+1.01
Est. Sales 13,932		Prev. Sales					
Prev. Day Open Int.							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
30.40	16.80	Jul	19.73	20.10	19.70	19.94	+.27
29.50	16.90	Aug	19.84	20.14	19.81	19.98	+.18
28.72	16.90	Sep	20.06	20.27	20.02	20.15	+.11
28.40	17.04	Oct	20.27	20.43	20.27	20.34	+.07
28.10	17.20	Nov	20.41	20.55	20.41	20.45	+.04
27.70	17.10	Dec	20.45	20.58	20.43	20.48	+.03
27.40	17.25	Jan	20.47	20.48	20.42	20.40	+.02
27.00	17.50	Feb	20.32	20.32	20.32	20.32	+.01
26.75	17.25	Mar	20.30	20.30	20.30	20.25	
26.50	17.50	Apr	20.19	20.30	20.19	20.19	
24.60	17.30	May	20.24	20.24	20.20	20.15	—.01
24.50	17.70	Jun	20.22	20.22	20.20	20.13	—.02
22.11	17.90	Jul	20.15	20.21	20.14	20.12	—.03
21.33	17.75	Aug				20.12	—.03
24.00	17.78	Sep	20.25	20.25	20.25	20.12	—.04
21.35	18.85	Oct	20.26	20.26	20.26	20.13	—.04
21.40	19.80	Nov	20.25	20.29	20.25	20.14	—.04
24.00	18.25	Dec	20.26	20.30	20.26	20.15	—.04
21.26	18.51	Mar				20.18	—.04
21.35	20.81	Jun				20.21	—.04
Est. Sales 73,456		Prev. Sales					
Prev. Day Open Int.287,404 off 6,341							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
82.70	55.25	Jul	62.60	63.60	62.40	62.97	+.45
90.50	53.50	Aug	61.10	62.00	61.10	61.45	+.40
87.00	51.60	Sep	59.65	60.30	59.65	59.99	+.46
86.75	49.75	Oct	57.90	58.05	57.50	57.50	+.20
44.75	48.60	Nov	57.10	57.30	56.65	56.30	+.15
75.25	47.75	Dec	55.80	55.80	55.75	55.35	+.10
58.00	47.80	Jan	55.75	55.75	55.30	54.85	+.10
58.20	50.70	Feb	55.75	55.80	55.65	55.20	+.10
59.00	50.50	Mar				54.45	+.10
63.40	57.30	Apr				60.40	+.10
63.00	58.80	May	61.00	61.00	61.00	60.15	+.15
61.00	58.00	Jun				59.40	+.15
59.75	59.50	Jul				58.40	+.15
58.00	58.00	Aug				57.40	+.15
Est. Sales 13,216		Prev. Sales					
Prev. Day Open Int. 75,792 off 725							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
393.50	300.90	Jun	382.00	382.60	380.45	380.95	—1.35
396.05	304.00	Sep	384.80	385.50	383.20	383.70	—1.40
399.05	321.75	Dec	387.50	388.50	387.50	386.80	—1.25
401.05	380.20	Mar				390.35	—.90
Est. Sales		Prev. Sales 61,997					
Prev. Day Open Int.161,529 up 2,262							
NYSE COMP. INDEX (NYFE) points and cents							
215.25	165.85	Jun	209.55	209.75	208.60	208.85	—1.00
216.40	172.10	Sep	210.85	211.20	210.00	210.25	—1.00
217.60	175.50	Dec	211.75	211.75	211.75	211.80	—1.00
217.90	208.70	Mar	213.25	213.25	213.25	213.35	—1.00
Est. Sales		Prev. Sales					
Prev. Day Open Int. 6,895 up 416							

Commodity Indexes

	Close	Previous
Moody's	1,050.00	1,051.90
Reuters	1,759.80	1,760.70
Dow Jones Futures	126.71	126.38
Comm. Research	213.40	213.42

EUROPE

Sanofi and Sterling Foresee Japan Ally

Compiled by Our Staff From Dispatches

PARIS — France's Sanofi SA and the U.S. drug group Sterling Drug Inc. will eventually need a Japanese partner to give their new pharmaceutical alliance an entry into that market, Jean-François Dehecq, the chairman of Sanofi, said Monday.

"One day we will have to find a partner which is of that culture, which understands that culture," Mr. Dehecq said.

But he said it was too early for the two groups to launch a search for a Japanese partner.

Earlier this year Sanofi, which is 60 percent owned by the state-owned oil company Société Nationale Elf Aquitaine, and Sterling, a subsidiary of Eastman Kodak Co., linked their over-the-counter drug businesses in Europe and their prescription drug businesses worldwide, except in Japan.

Last week the EC Commission approved the alliance.

Mr. Dehecq and Louis Mattis, the chairman of Sterling, told a joint news conference they expected to choose the managers of their joint ventures this week, and they defended the wisdom of their link-up, which involved no transfer or sale of assets.

"It will work and it will work better than a merger," Mr. Dehecq said.

Asked about restructuring costs, Mr. Mattis said, "We don't have any definitive numbers at this time."

Both groups have pharmaceutical joint ventures with Japanese partners, including Sanofi links with Daiichi Pharmaceutical Co., Taisho Pharmaceutical Co. and Meiji Seika Kaisha Ltd.

Mr. Dehecq said just as Sanofi's alliance with Sterling gave it access to U.S. basic research, common ties with a Japanese group could give Sanofi and Sterling access to the Japanese research and its research process.

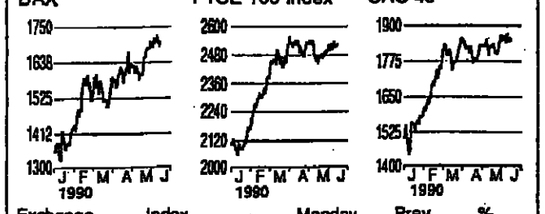
Mr. Dehecq also said Sanofi would have to close one or more of its European factories to avoid duplication with Sterling.

No major changes are expected in France, where Sanofi has nine pharmaceutical factories, but there will be closures elsewhere in Europe, he said.

Sanofi said it also has three production facilities in Hungary, two in Italy, two in Spain, and one each in Britain, Greece and Turkey.

(Reuters, AFP)

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	96.20	95.90	+0.31
Brussels	Stock Index	5839.88	5844.27	-0.08
Frankfurt	DAX	1701.07	1699.83	+0.07
Frankfurt	FAZ	717.73	713.34	+0.62
Helsinki	HEX	1026.10	1029.40	-0.32
London	Financial Times 30	1977.60	1976.30	+0.07
London	FTSE 100	2524.00	2522.30	+0.07
Madrid	General Index	284.20	284.00	+0.07
Milan	MIB	1194.00	1182.00	+1.02
Paris	CAC 40	1844.85	1858.17	-0.72
Stockholm	Affarsvarlden	1104.40	1095.10	+0.85
Vienna	Stock Index	575.81	575.24	+0.10
Zurich	SBS	631.50	628.90	+0.41

Sources: Reuters, AFP International Herald Tribune

Britain Becomes Asia's Door to EC

Reuters

LONDON — Companies from such growing Asian economies as South Korea, Taiwan and Hong Kong are following the Japanese to invest in Britain with an eye on a single European market after 1992, British officials said Monday.

"Both Korea and Taiwan are seeing what Japan is doing, and are saying 'We had better do that,'" said Andy Ripley, head of the Far East section of the Department of Trade and Industry's Invest in Britain Bureau.

The number of those Asian companies investing in Britain is still small — 11 from Hong Kong, six from South Korea and five from Taiwan.

But most have come to Britain only recently and more are likely to come in before a single European market is created after 1992, the officials said.

A South Korean videotape maker recently decided to start production in January 1992 after its visit to Britain last April in a Korean trade mission, Mr. Ripley said.

Britain expects trade missions from Taiwan, Japan and Australia later this year. All are looking at the investment environment.

Mr. Ripley said South Korea and Taiwan were most likely to send more missions next year.

Koreans and Taiwanese make televisions and computers in Britain.

Koreans and Taiwanese are producing televisions, computers and semiconductors. Hong Kong firms are mainly producing garments.

Among them are internationally known Korean firms such as Samsung and Goldstar, both producing video recorders and microwave ovens, and the automaker Panther Cars.

More than 100 Japanese companies have decided to make their products in Britain since 1988, bringing the total number of Japanese firms to about 160 — one-third of Japanese investment in the whole of Europe.

Among those already producing or planning production before the end of 1992 are the electronics giants Sony Corp., Toshiba and Matsushita Electric Co., and the carmakers Nissan Motor Co. and Toyota Motor Corp.

Japanese companies are afraid of a "fortress Europe" that would make it difficult for foreign firms to sell their goods within the European Community unless they are producing inside the market, say Japanese economists based in London.

"They are beginning to realize that they must do something about EC and that they need to protect their share of the market," Mr. Ripley said.

Linjeflyg Joins LOT In Startup

Compiled by Our Staff From Dispatches

STOCKHOLM — The Swedish airline Linjeflyg AB said on Monday it had signed an agreement with the Polish airline LOT to start a regional European airline run as a joint venture.

"The new airline will serve destinations within Poland as well as the international routes in the vicinity of Poland," Linjeflyg said.

The airline, which is 50 percent owned by the hauling firm Bilspedition AB, said the new carrier would be named LINJELOT, and would fly 70-passenger Fokker F-28 aircraft in Linjeflyg's present fleet.

Linjeflyg is Sweden's largest domestic airline.

Linjelot will be registered in Poland and Warsaw will serve as the hub of its traffic network, with connections to countries near Poland.

Linjeflyg said it would form a management team to establish the new company, and personnel would be recruited from LOT's present staff. Linjeflyg will train pilots, cabin staff, technicians and ground staff. *(Reuters, AP)*

Poor Retail Sales Spur Calls for U.K. Rate Cuts

Compiled by Our Staff From Dispatches

LONDON — British retail sales fell by 0.3 percent in May, the government said Monday, quashing hopes of a recovery in consumer spending and increasing pressure for fresh cuts in interest rates.

The Central Statistical Office announced that the seasonally adjusted index of retail sales volume fell 0.3 percent in May from April.

Sales volume was little changed from the previous month, but a significant 3.6 percent down on March, when an early Easter holiday and a rush to beat a value-added tax increase boosted consumer spending.

In the three months to May, retail sales in volume were up 1 percent on the previous three months, but down 0.9 percent from the year earlier.

"Since the consumer is expected to lead us out of the recession, recovery is looking further away," said Kevin Gardiner, an economist with S.G. Warburg.

He said that the figures back up the arguments of business leaders who have called for a reduction in interest rates to stimulate spending and manufacturing.

The case for interest rate cuts gathered strength after the government announced last week that inflation dropped below 6 percent for the first time in nearly three years.

But these cuts look certain to be delayed by the pound's fall on foreign exchange markets. Last week the pound dropped more than 3 cents against the dollar. *(UPI, AFP)*

Pirelli Buys Stake Option In Continental

Reuters

MILAN — The Italian tiremaker Pirelli SpA said on Monday it had bought an option to acquire a 5 percent stake in Continental AG, strengthening its negotiating position with the German tire group with which it is seeking a merger.

"We acquired a three-year call option from Elektrowatt," a Pirelli spokesman said, referring to the Swiss company.

Pirelli has a direct 5 percent stake in Continental, but has said it and its allies control a majority stake.

The Milan investment firm Sopaf SpA, a Pirelli ally, originally sold a 5 percent Continental stake to Elektrowatt.

Continental shares rose 6.50 Deutsche marks ($3.60), to 205 DM in Frankfurt.

BSL

There once was a girl named Joanne
Who went to school in Lausanne.
"I'll earn a degree,
Hard though it may be,
So I can live my life as I plan."

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DAIWA CAPITAL - L.C.F. EDMOND DE ROTHSCHILD
INTERNATIONAL BOND FUND
Registered office:
20, boulevard Emmanuel Servais, 2535 Luxembourg

Notice is hereby given that the
ANNUAL GENERAL MEETING
of the shareholders of DAIWA CAPITAL - L.C.F. EDMOND DE ROTHSCHILD INTERNATIONAL BOND FUND will be held at the registered office of the company at 3:30 p.m. on 28th June 1991 with the following agenda:

1. Approval of the reports of the Board of Directors.
2. Approval of the reports of the Auditor.
3. Approval of the account for the year ended March 31, 1991.
4. Allocation of the net result.
5. Discharge of the Directors for the performance of their duties during the year ended March 31, 1991.
6. Re-election of the Directors for a new statutory term.
7. Miscellaneous.

Resolutions on the above mentioned agenda will require no quorum and the resolutions will be passed at a simple majority of the shares present or represented at the Meeting.
A shareholder may act at any meeting by proxy.

On behalf of the Company,
BANQUE PRIVÉE EDMOND DE ROTHSCHILD S.A.
Succursale de Luxembourg
20, Boulevard Emmanuel-Servais,
2535 Luxembourg

WORK: *U.S. Part-Timers Increase*

(Continued from first finance page)

part-time jobs. Some workers, for example, hold two or three involuntary part-time jobs.

Giant Eagle, the only supermarket chain in Pittsburgh, is a believer in the part-time work force.

Of more than 6,000 employees, more than four-fifths fall into the part-time category. The company pays them a lower hourly rate than it pays full-time employees who do the same jobs, and it grants them fewer benefits.

For Giant Eagle and many other employers, part-time workers help achieve efficiency, hold down costs and serve customers better.

As far as the government is concerned, Mary Rockymore is a full-time worker.

A single mother of children aged 16, 11 and 8, she has been earning $5.25 an hour for 17 to 21 hours a week as a bakery clerk at Giant Eagle. She also earns $7 an hour working 27 to 30 hours as a secretary for a gynecologist.

She earns too much to qualify for public assistance, but her Giant Eagle health insurance covers only her. She gets none from the doctor she works for, so she has to be resourceful in getting help for an asthmatic daughter.

Scores of Giant Eagle employees work well beyond the 35 hours a week that the Bureau of Labor Statistics considers the minimum for full-time work, but the company declares them part-timers, pays them a lower hourly rate than full-timers and provides them the same meager benefits that a 20-hour-a-week worker receives.

As part of the strike settlement, Giant Eagle made one concession: Part-timers who work an average of 40 hours a week for a year will be given health-benefit coverage not only for themselves, but for their families.

Robert Derberry, 59, works 53 hours a week cleaning the bakery at a Giant Eagle. Three years ago, as a machinist at a printing company, he was earning $11.75 an hour, more than twice his pay now.

"They had real good benefits — hospitalization, eye care, dental care, good retirement," he said. "Germany bought them out, and they took all the stuff to Germany. The only thing you have there now is a warehouse."

MEDIA: *U.S. Firms Still Reluctant*

(Continued from first finance page)

sion service in Gdansk and plans eventually to operate in nine cities.

Roger Freedman, the president and chief executive of Chase International, said the company had invested "many millions of dollars" in the enterprise.

Most publications in Eastern Europe are still state-owned. Some are now quasi-public, owned in part by government and in part by former employees.

For instance, Heit Vilaggazdasag/HVG, a weekly economic and political magazine in Budapest that is loosely modeled after The Economist, is now one-quarter staff-owned. The remaining shares are owned by banks and the state commerce department.

On the other hand, Mlady Svet, a weekly news magazine in Prague, has been taken over and is being run by 28 members of its staff.

Other journalists now find themselves out of work. Some editors and reporters worked on newsletters and other house organs for state-owned companies that have closed.

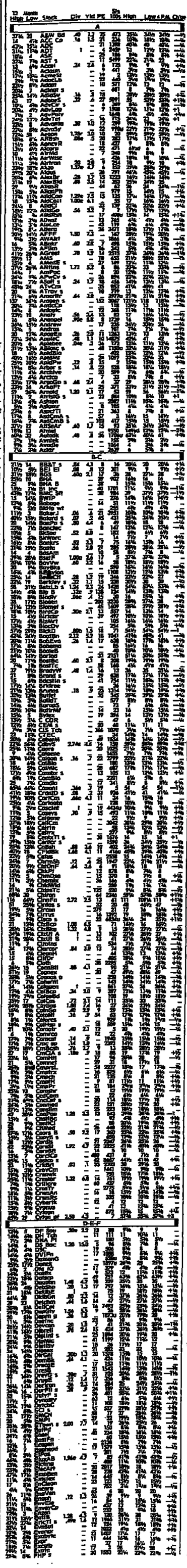
As part of U.S. initiatives on Eastern Europe, $5 million has been set aside for the International Media Fund to help countries set up independent broadcasting and a free press. The fund is helping to set up American journalism centers in Hungary, Poland and Czechoslovakia.

Marvin Stone, the fund's president, who is a former editor in chief of U.S. News & World Report and former deputy director of the U.S. Information Agency, said legislation was being introduced to further the freedom of broadcasting in several of these countries.

NASDAQ

Monday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.



Investors Get New U.S. Securities Data

By Kenneth N. Gilpin
New York Times Service

NEW YORK — Prodded by the federal government, Wall Street is about to provide investors a wealth of information on government securities prices, data that most investment firms have for decades viewed as proprietary.

The move to greater disclosure has sparked a polite but intense war, with virtually all Wall Street on one side and Cantor Fitzgerald Inc. and Telerate Inc. on the other.

Starting with the opening of Treasury securities trading in Tokyo on Sunday night, Govpx Inc., an organization comprising 40 primary dealers, three firms that aspire to become primary dealers and five interdealer brokers, began disseminating real-time price information on all U.S. bills, notes and bonds traded in the interdealer brokers market. Govpx says it will carry prices on about two-thirds of the $118 billion in government securities traded daily.

Although final contracts have not been signed, the information is expected to be carried by a number of information companies, including Reuters Holdings PLC, Knight-Ridder Inc. and Bloomberg Financial Markets. The Public Securities Association, the lobbying group that represents the fixed-income securities industry and is sponsoring Govpx, has authorized six vendors to carry Govpx for a week without a contract.

The impetus for Govpx was provided last year by the General Accounting Office. In a report to Congress, the office called for broader dissemination of price information and recommended that Congress make changes in the Government Securities Act of 1986 to ensure greater disclosure if the industry did not move on its own. The act is up for renewal in the fall.

The creation of Govpx poses a threat to Telerate, a unit of Dow Jones & Co., and Cantor Fitzgerald, which have teamed up to provide price information to the public for nearly two decades. Last week, Cantor and Telerate expanded their Treasury pricing service and said customers would not have to pay more for the additional information.

The move to greater disclosure has sparked a polite but intense war.

In addition to providing information on all bills, notes and bonds, the expanded service will include price quotes on U.S. agency securities and zero-coupon Treasury bonds. The service will feature a two-sided market display with the best-bid and best-offer prices that Cantor Fitzgerald's traders trade on.

The Govpx pricing service is not as comprehensive and does not show the best-offer price.

Kenneth M. deRegt, a managing director at Morgan Stanley & Co. and the chairman of Govpx, said, "Providing the best-offer price is something we can do in the future, but we don't think it is particularly meaningful, since it follows the best bid."

Mr. deRegt said the value of the Govpx system lay in the breadth of the market that it covered.

"Unlike Telerate, we are showing transactions that are taking place at five interdealer brokers, not just one," he said.

The Govpx service will cost $140 a month; the Telerate package is part of a basic service costing about $600 a month.

Officials of Govpx, Telerate and Cantor politely said they were not in competition. But an official of the Public Securities Association was escorted out of a news conference Telerate held last Monday.

"They said it was not appropriate for me to be there," said Joseph S. Sims, the official.

Telerate has also said it will not provide Govpx on its screens.

"We are not competitors with Govpx," said E. Howard Edelstein, Telerate's senior vice president for international marketing. "We made a decision not to carry the Govpx system because we didn't want to burden our customers with the extra cost."

But Eugene A. Shimshock, director of market management at Knight-Ridder's financial information division, asked, "Why not just take it? It's an optional service. And by not taking it, Telerate may be putting itself at odds with some of their larger clients."

U.S. Filmmakers Are Wary of the Soviet Market

By Geraldine Fabrikant
New York Times Service

NEW YORK — In 1989, Ismail Merchant and James Ivory — the New York film producer and director whose company's credits include "A Room with a View" and "Mr. and Mrs. Bridge" — made a deal to sell their films in the Soviet Union.

Merchant Ivory Productions planned to license three movies to Paritet, a Moscow-based company. The deal was in rubles, which Mr. Merchant planned to use to make a film in the Soviet Union.

The foray ended badly, as have many similar ventures into the Soviet market by U.S. film companies.

Paritet sued for $26 million. In May, the American Arbitration Association fined Merchant Ivory Productions 2.3 million rubles. Although it is neither in dollars, as Paritet had sought, nor anywhere near the 15 million rubles that Paritet used to arrive at $26 million, the fine is substantial.

In another action last week — this time to protest the absence of any Soviet law against film piracy — the Motion Picture Association of America announced it would cease licensing films in the Soviet Union or sending films to the Moscow Film Festival.

One part of the Merchant Ivory dispute, that of the sound track, is illustrative.

Dialects in the Soviet Union make it impossible to produce a single dubbed film.

Paritet argued that it is routine in international film agreements to get a special magnetic sound track rather than the optical sound track that Merchant Ivory sent. Paritet would have used the magnetic sound track to make separate audiocassettes for each region.

Merchant Ivory argued that the contract did not require any sound track at all. It sent one, it said, as a courtesy. Merchant Ivory contends that Paritet had said that it planned to use individuals who would simultaneously translate the film at the movie theatre.

"If there had been dubbing, we would have had to approve the translation in any case," said an attorney for Merchant Ivory.

Paritet complained that the film "Deceivers" arrived so late that it could not release it in the winter when attendance is highest. Yet attendance in the Soviet Union has always been difficult for U.S. companies to verify, according to the association's president, Jack Valenti.

Many American companies have been reluctant to license films to the Soviet Union because the arrangements pay so poorly.

While U.S. companies typically receive a flat fee plus a percentage of profit in major foreign markets, they seldom earn more than a flat fee in the Soviet Union, usually in the $150,000 range for a movie that might sell as many as 35 million tickets.

As a result, the association reported 1990 revenue of only $750,000 from the Soviet Union.

One step was taken last year when Michael Macclesfield, vice president for international sales of United International Pictures, signed an agreement to distribute MGM's "Gone With the Wind" for a hard-currency guarantee in dollars and a percentage of profits in rubles.

William Mechanic, head of the Walt Disney Co. international distribution business, reflected the caution of others: "The Russians have one of the highest attendances in the world, but I don't think anyone has any idea what the business is worth."

TOKYO: *A Bad Year for the Market but Even Worse for the Forecasters*

(Continued from first finance page)
to delay the official discount rate cut to late in the third quarter or even later," said Kermit L. Schoenholtz, a Salomon analyst in Tokyo.

For a stock-market rally to materialize, cuts in interest rates are almost certainly needed. The market, which analysts say is overvalued now, will not be moved much by other forces.

While the Tankan data were not as downbeat as had been predicted, forecasters still expect the Japanese economy to slow sharply from the 5.6 percent growth, after adjustment for inflation, in the gross national product last year.

Some economists expect that the GNP figures to be released soon will show a torrid growth rate of 10 percent to 14 percent for the first three months of 1991. But then the slowdown will begin, they say, with the economy flat in the second quarter and declining in the second half of the year.

■ Olympic Fever

The 1998 Winter Olympics are still seven years away, but for Tokyo stock investors the starting gun has already sounded. News that the central Japanese city of Nagano had won the right to hold the games sparked sharp competition Monday for shares in companies likely to profit from the selection, Reuters reported from Tokyo.

The Nagano-based Kitano Construction Corp., now completing the ramp for the ski-jump competition with Taisei Corp, led the market with a 19.2 percent leap.

The ski-wear maker Descente Ltd. climbed 45 to 755, and the sporting-goods giant Mizumo Corp. gained 30 to 1,750.

AMEX

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

NYSE Highs-Lows

NEW HIGHS 91

Allean Inc	AmCyan	AmPresId	Arvin
Autozone n	BrookeGp rt	ComTelChile n	ConStor
Crane	DeluxeCp	duPont	EnglhrdCp
FamDlrSt	Farahinc	FedPapBd	FedPap 287p
FstChic pfD	FtFnclMgt	FreeptMcM	GATX Cp pf
Goodyear	GtWFn pf	GtSU 880pf	HelligMyr
HomeDepot s	HmeD wi	Idex Cp	IllinoisCtrl
IntlPaper	Kysor	LaZ Boy	LincNatCv
MCN Cp	MHI Group	MinnMng	NuvMuOp
OhEd 456pf	OwensMin	PPG Ind	PerkFmly
PhEl 430pf	viRaytech	SolomonInc	SFePacCp n
UnPacCp	UtiliCorp	UtilCo 177p	ValueCity n
ViacroCp n	Westvaco	Whirlpool	

NEW LOWS 9

ArklaExp n	Colum Gas	Comeric pf	Compaq
GrndMetr n	NvoNdk rt	PacEnterp	Salomn pf
UnoRest s			

AMEX Highs-Lows

NEW HIGHS 16

AmTr-dd s	AmTr-dd sc s	AnglesMtg n	ContHmes
FrozenFood s	Garan Inc	GenovDrg	HenlyInt
MonPw pfC	PGE 232pfJ	PubSt 10 n	SPI Hld pf
StarrettHou	SupSurMf	TotCdaOG g	UniIil

NEW LOWS 4

Ittrnk pf	Landmark	PresidD A	Redlaw

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

U.S. Says Honda Evaded Tariffs

By Robert Pear
New York Times Service

WASHINGTON — After a yearlong audit, the U.S. Customs Service has concluded that Honda took improper advantage of the U.S.-Canada free-trade agreement to avoid paying millions of dollars in duties on cars imported into the United States from its Alliston, Ontario, plant.

Under the agreement, cars assembled in the United States or Canada and shipped across the border are exempt from tariffs if at least half their content comes from either country.

Customs Service auditors said the actual "North American content" of Honda Civics imported from the Ontario plant was 25 percent to 30 percent less than the amounts claimed by the company, a subsidiary of the Tokyo-based Honda Motor Co.

Details of the Honda audit were obtained from administration and congressional aides eager to see the free-trade pact with Canada vigorously enforced. The preliminary conclusions come as the United States and Canada are negotiating a similar pact with Mexico.

Honda, which had not seen the report, disputed its conclusions when told of them. The company said it believed that its cars produced in Canada for sale in the United States were entitled to duty-free treatment.

Not so, says Customs Commissioner Carol B. Hallett, who said the agency intended to "begin action immediately to collect $20 million in duties for vehicles imported in 1989 and 1990."

The auditors said the company had manipulated the free-trade agreement's "rules of origin," ignored "commercial realities" and misrepresented the company's costs in an effort to avoid tariffs.

Toyota and Nissan Show Sharp Declines in Sales

Compiled by Our Staff From Dispatches

TOKYO — The almost worldwide drop in automobile sales has hit Japan. Its two biggest carmakers, Toyota Motor Corp. and Nissan Motor Co., announced Monday declines in domestic production, sales and exports in May.

Toyota said domestic production dropped 8.7 percent from a year earlier to 326,570 vehicles in May. Domestic sales fell 5 percent to 184,466 vehicles and exports dropped 12.8 percent to 128,500 vehicles. Overseas production grew by 3.2 percent to 62,432 units.

Nissan's domestic output dived 13 percent to 171,079 vehicles, it said, and sales in Japan fell 6 percent to 97,240 vehicles. Nissan exports fell 12.3 percent to 69,305 vehicles. Overseas output jumped 19.3 percent to 67,550 vehicles.

Meanwhile, Mitsubishi Motors Corp. announced it is targeting an 11.2 percent market share of domestic vehicle sales in the year to March 31, 1996, up from 9.7 percent in 1990-91.

Under its five-year program, called F Project, Mitsubishi set a domestic vehicle sales target of 900,000 in 1995-96, up 20 percent from 749,264 in 1990-91, Bunji Date, a Mitsubishi vice president, said Monday. *(AFP, Reuters)*

Malaysian Development Plan Shifts Emphasis to Growth

Reuters

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad on Monday unveiled a new 10-year social-engineering blueprint that stresses rapid economic growth ahead of wealth distribution along racial lines.

But Mr. Mahathir told parliament the 1991-2000 New Development Policy would continue to guarantee politically dominant Malays, known as *bumiputras*, a 30 percent stake in the Chinese-dominated economy.

Economists said the new plan is far more liberal than its predecessor, the controversial 1971-1990 New Economic Policy, which sought to restructure Malaysian society following riots between Malays and Chinese in 1969.

The report set a target of average annual economic growth of 7.0 percent until the year 2000, and promised to continue to be liberal with incentives for foreign investments.

Mr. Mahathir said the new plan would eradicate remaining poverty, which is estimated to affect about 15 percent of the population, and put emphasis on developing a generation of bumiputra managers, engineers and businessmen.

"National unity remains the ultimate goal of the NDP because a united society is essential to the promotion of social and political stability and sustained development," he said in a speech broadcast over state television.

Mr. Mahathir said the private sector would take the lead in promoting "growth with equity" in the country of 18 million people, which has one of Asia's fastest-growing economies.

The widely awaited strategy was released after nearly two years of sometimes acrimonious debate among a panel comprising 150 academics and government and opposition leaders.

"The NDP will set the pace to enable Malaysia to become a fully developed nation by the year 2020," Mr. Mahathir said.

"We have not yet reached a stage in our development when ethnic imbalances have been completely eliminated," he said.

The report said bumiputras' share of corporate wealth, estimated at a total 109.79 billion ringgit ($39.4 billion) at the end of 1990, had jumped to 20.3 percent from 2.4 percent in 1970.

This was still short of the 30 percent that would continue to be the target, although the government would not set a specific time frame for achieving this.

The system of quotas, licenses and other special assistance implemented to help bumiputras participate in the industrial, business and commercial sectors of the economy will continue to be necessary in the 1990s "until the economic imbalances are incorrected," it said.

The share of wealth in the hands of non-bumiputras, mostly ethnic Chinese, was put at 46.2 percent in 1990, while that held by foreigners was 25.1 percent. A remaining 8.4 percent is held by unspecified nominee groups, which officials said include bumiputras and non-bumiputras.

As for foreign investors, the prime minister said, "Malaysia must enhance its attractiveness for investors and businessmen to expand their activities in this country."

Malaysia relaxed rules after a severe recession in 1986 to allow foreigners to own 100 percent of their investments if they are export-oriented.

Business Woman Is Role Model in Japan

By George White
Los Angeles Times Service

For Kumi Sato and many other women in Japan, 1987 was supposed to mark the beginning of a period of expanded opportunity for women in the work force.

Japan's legislature had just passed a law prohibiting sex discrimination in employment and much of the Japanese media had begun to suggest that the late 1980s and the 1990s would be the Onna-no Jidai, or Era of Women.

Ms. Sato's life certainly changed. In 1987, she achieved a lifelong goal — owning a business — by acquiring Cosmo Public Relations, a well-established Tokyo-based company. She has successfully managed Cosmo and adopted strategies that have helped the company double its revenue.

Ms. Sato has become a role model for many Japanese women, a symbol of the change taking place in the male-dominated Japanese corporate world. But a large percentage of Japanese women are dissatisfied with the pace of progress since 1987, and many are pessimistic about their prospects for advancement, according to recent surveys.

For example, Philip Morris KK, the Japanese subsidiary of Philip Morris Cos., recently polled nearly 1,500 working women in Japan. It reported that 55 percent believe that women are not being treated equally in the workplace. A comparable Philip Morris survey in the United States had very different results: Only 29 percent of American women said they faced unequal treatment on the job.

When Philip Morris asked 3,000 Japanese women and 1,000 Japanese men whether women could expect a more equitable corporate environment 20 years from now, only 30 percent said the situation would improve. In contrast, 52 percent of the American respondents expected improvement.

There have been improvements in hiring and promotion practices in Japan. Faced with a growing labor shortage and prodded by a government that officially opposes gender-based discrimination, Japanese companies have hired and promoted thousands of women. A recent study by a quasi-governmental agency determined that the number of women in mid- to upper-level management had increased by about 5 percent from 1987 to 1990.

A large percentage of Japanese women are dissatisfied with the pace of progress, according to recent surveys.

Overall, women make up about 40 percent of the work force. But many Japanese women are dissatisfied because women hold only about one percent of management jobs.

Ms. Sato's road to the top was unconventional. Born and reared in Japan, she attended international schools in Tokyo before entering Wellesley College in Massachusetts. After graduating in 1981, she joined McKinsey & Co., a New York management consulting firm.

In 1983, she formed her own public relations company in New York. She was following a family tradition. Her mother founded Nippon Homes Corp., which introduced Western-style housing in Japan. Her father, a naturalized American who returned to Japan, established Cosmo Public Relations in 1960. He died in 1980.

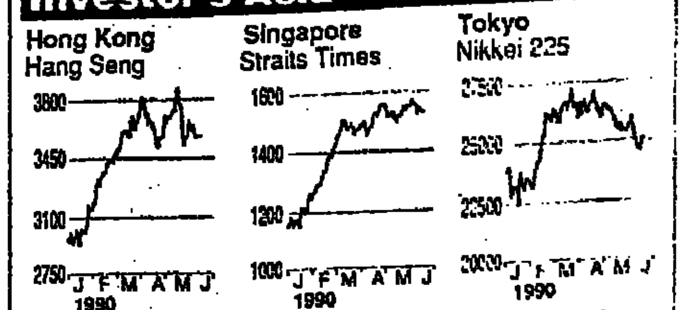
The Sato family regained control of Cosmo when Kumi Sato and her husband financed a buyout of the company in 1987. However, many of the company's employees were reluctant to accept her leadership, Ms. Sato recalled.

"For some, it was a cultural shock to suddenly have a young, American-educated woman telling them how to run the company," she said.

She concluded that she had to learn Japanese management style to be effective. She consulted with other corporate executives and adopted many of their methods.

"The Japanese way involves consensus building, socializing with employees and selling employees on your philosophy and vision of the company," she said. "After five years, I've won over their hearts and minds. Instead of just thinking of me as a woman, they now think of me as the boss."

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	Closed	3639.15	-
Singapore	Straits Times	1534.08	1527.50	+0.43
Sydney	All Ordinaries	1523.30	1507.40	+1.05
Tokyo	Nikkei 225	24943.09	25093.89	-0.60
Kuala Lumpur	Composite	632.31	627.13	+0.53
Bangkok	SET	803.81	812.68	-1.09
Seoul	Composite Stock	608.77	613.57	-0.78
Taipei	Weighted Price	Closed	5925.19	-
Manila	Composite	1095.09	1141.62	-4.08
Jakarta	Stock Index	374.44	379.76	-1.40
New Zealand	Barclays	1440.00	1422.00	+1.27
Bombay	National Index	645.00	636.44	+1.34

Sources: Reuters, AFP International Herald Tribune

Alarmed by Surge, Taiwan Aims to Limit China Trade

Reuters

TAIPEI — Taiwan is alarmed by a surge in its trade with China and may take steps to limit its dependence on the Chinese market, the official Central News Agency said Monday.

Taiwan-China trade shipped through Hong Kong accounted for a record 10.9 percent of Taiwan's foreign trade in May, above the 10 percent ceiling considered to be safe for the Taiwan economy, the agency quoted the Economics Ministry as saying.

It did not give a figure for the value of Taiwan-China trade during the month.

Almost all Taiwan's trade with China goes through Hong Kong because Taipei's Nationalist government, locked in an ideological and diplomatic struggle with Beijing since 1949, bans direct contacts.

As the China trade has soared in recent months, senior officials in Taipei have expressed fears the island's growing economic dependence on China could expose it to pressure and blackmail by Beijing.

Vietnam Awaits Refinery Plan

Reuters

TOKYO — Nippon Mining Co. and Sumitomo Corp. are planning to build an oil refinery in Vietnam and will soon hand over the result of their feasibility study to the Vietnamese government, officials at the companies said.

A newspaper here said the $800 million refinery would be near Ho Chi Minh City.

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INTERNATIONAL FUNDS June 17, 1991

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AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; CS - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p - pesos; Ptas - Pesetas; SGS - Singapore Dollars; SF - Swiss Francs; Y - Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; • - Paris exchange; ‡ Amsterdam exchange; e - misquoted earlier; x - not registered with regulatory authority

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TURKIYE

Despite Shadow of Gulf War, Prospects Are Bright

The Turkish economy, like those of other frontline states, has been hit by the Gulf crisis. But businessmen and officials believe that more than 10 years of structural adjustment have imbued the economy with sufficient resilience and dynamism to weather hard times until recovery.

"Our economy is like many of our companies — basically sound, but highly geared, and now in need of temporary cash infusions," says a senior Istanbul businessman.

The latest Treasury estimate of losses arising from the Gulf crisis is $6.2 billion, $1 billion lower than previous assessments. The transport sector has suffered the most, with a

1990's 10.2% growth was the highest since 1981

shortfall of $1.3 billion, followed by exports and imports ($1.1 billion each), banking ($850 million), contractors ($650 million) and tourism ($400 million), with military spending and other sectors accounting for the remainder.

It was unfortunate that the crisis began last August, just when inflation finally seemed on its way down. High inflation has been the price to pay for the rapid infrastructural development in the 1980s, without which Türkiye would still have been far behind in the international marketplace, according to President Turgut Ozal and other government leaders. Now the government will have its work cut out for it to hold back inflation to last year's levels of 60 percent to 65 percent.

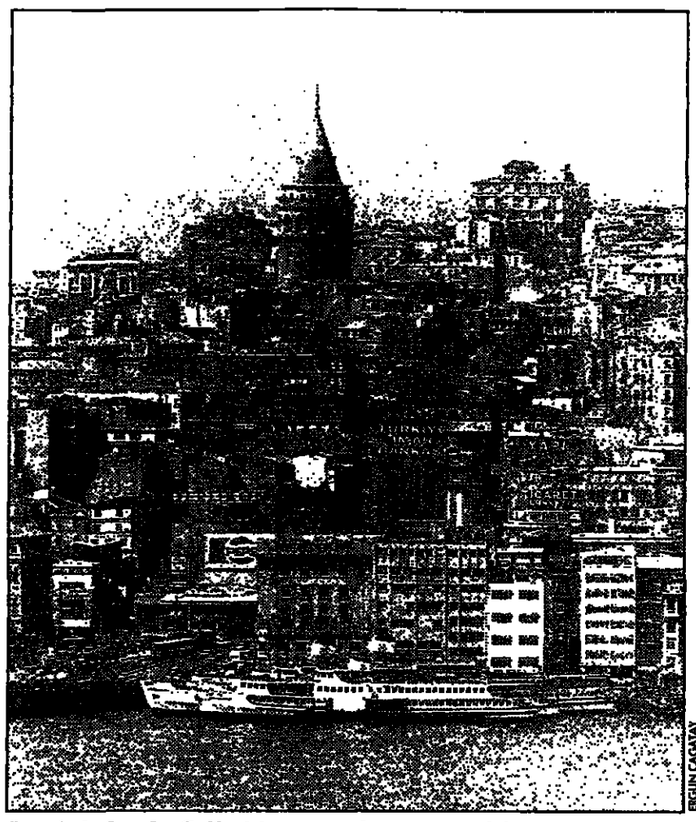
For this year, at least, compensation from abroad will salve the prime cause of inflation — an overall public-sector budget deficit turned out of kilter by the crisis. Foreign assistance will give the government an opportunity to bring the economy back on course.

Contributors appear to be making good on their pledges. More than half of the total $4.2 billion promised from various sources had already reached the government's coffers, the president told a select banking conference in London last month through a video link from Canberra, Australia.

The government is also expected to initiate tough measures to bring the deficits of inefficient state economic enterprises (SEE) into line. These accounted for no less than 4.5 percent of the overall high 8.5-percent ratio of the public-sector borrowing requirement (PSBR) to gross national product in 1990.

The government will also continue its ambitious privatization drive. Investor confidence appears to have picked up from the autumn slump in confidence that accompanied major issues of state petrochemical giant Petkim and the state flag carrier Turk Hava Yollari (THY-Turkish Airlines). Next onto the block are offerings in the Turkish Petroleum Refineries Corporation (TUPRAS) and refined-products distributor Petrol Ofisi (POAS).

The Gulf crisis began when business and industry were on the upsurge of a consumer boom, which carried through into the autumn. Although the crisis caught up with industry early this year, industrial production declined by only 0.6 percent in the first quarter of 1991, compared with January-March 1990, according to the State Institute of Statistics.



BIGUN CAGATAY

Istanbul after the Gulf crisis: renewed investor confidence.

At the same time, the ample harvest expected again this year could present the government with cash difficulty in payments to farmers. The state-owned Soil Products Office has been preparing itself for this by running down the bulging stocks that resulted from overpurchasing abroad after the drought in 1989. Agreements for wheat sales, valued at a total of $400 million, were reached in late spring with the Soviet Union and Iraq, both with large populations to feed.

Economic growth this year will probably fall back from the estimated 10.2 percent rate of last year. Despite the crisis, this was the highest rate of growth achieved since 1981, but it was unhealthily consumer-driven, a trend the crisis may have fortuitously served to correct.

This year's current-account deficit is expected to be at least as large as the $2.61 billion registered in 1990, after two years of surplus. There are, however, several encouraging signs for the medium term. Companies

Continued on Page 16

President Sees Enhanced Global Role for Nation

Türkiye has emerged from the Gulf crisis even stronger than it was before, says Türkiye's President Turgut Ozal. This is due not only to the country's support for the United Nations during the crisis, but also to its consistency and continuity amidst the changes going on around it in the Balkans and the Soviet Union.

"When you look back, Türkiye has been an element of stability. We have good relations with Bulgaria and Romania, and we are helping Albania," says Mr. Ozal. Türkiye, for example, has sent the people of Albania about 25,000 to 30,000 met-

Investment inflows may reach $1 billion in 1991

ric tons of flour, sugar, vegetable oil and margarine.

On the other hand, the Gulf crisis has improved Türkiye's prospects for admission to the European Community, but perhaps not sufficiently for it to be accepted as a full member, says the president. "I don't know how long it will take," he says. "But if the EC is willing to change its policy after 1992, then I know that Türkiye is a more suitable candidate than all of the East European countries."

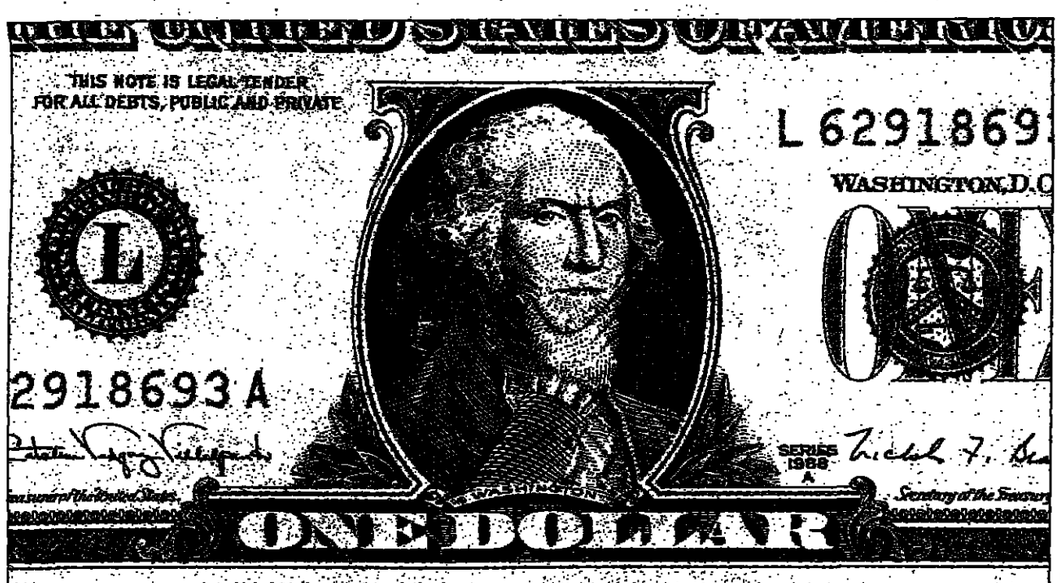
A proposed customs union with the EC by 1995 would be very beneficial, Mr. Ozal stresses. Türkiye already serves 40 percent of the EC demand for imported textiles, and the customs union would increase this share. Many industries in Türkiye would also grow as a result, says Mr. Ozal. Foreign-investment applications are expected to rise to more than $2 billion this year, compared with between $1.4 billion and $1.6 billion last year, while actual investment inflows are expected to rise to around $1 billion this year, compared with $800 million in 1990. These figures would be far higher were the amounts reinvested by foreign companies already in Türkiye taken into account.

According to Mr. Ozal, foreign investors see Türkiye as "the only country in the area that has all the ingredients — an expanding population of nearly 60 million, good workers, a stable environment and very good prospects for the markets nearby."

Turgut Ozal, President of the Republic of Türkiye.

The postcrisis outlook for Türkiye is promising in the Middle East as well, he says. Turkish businessmen have visited Kuwait, and after the postwar settlement and the start of

Continued on Page 22



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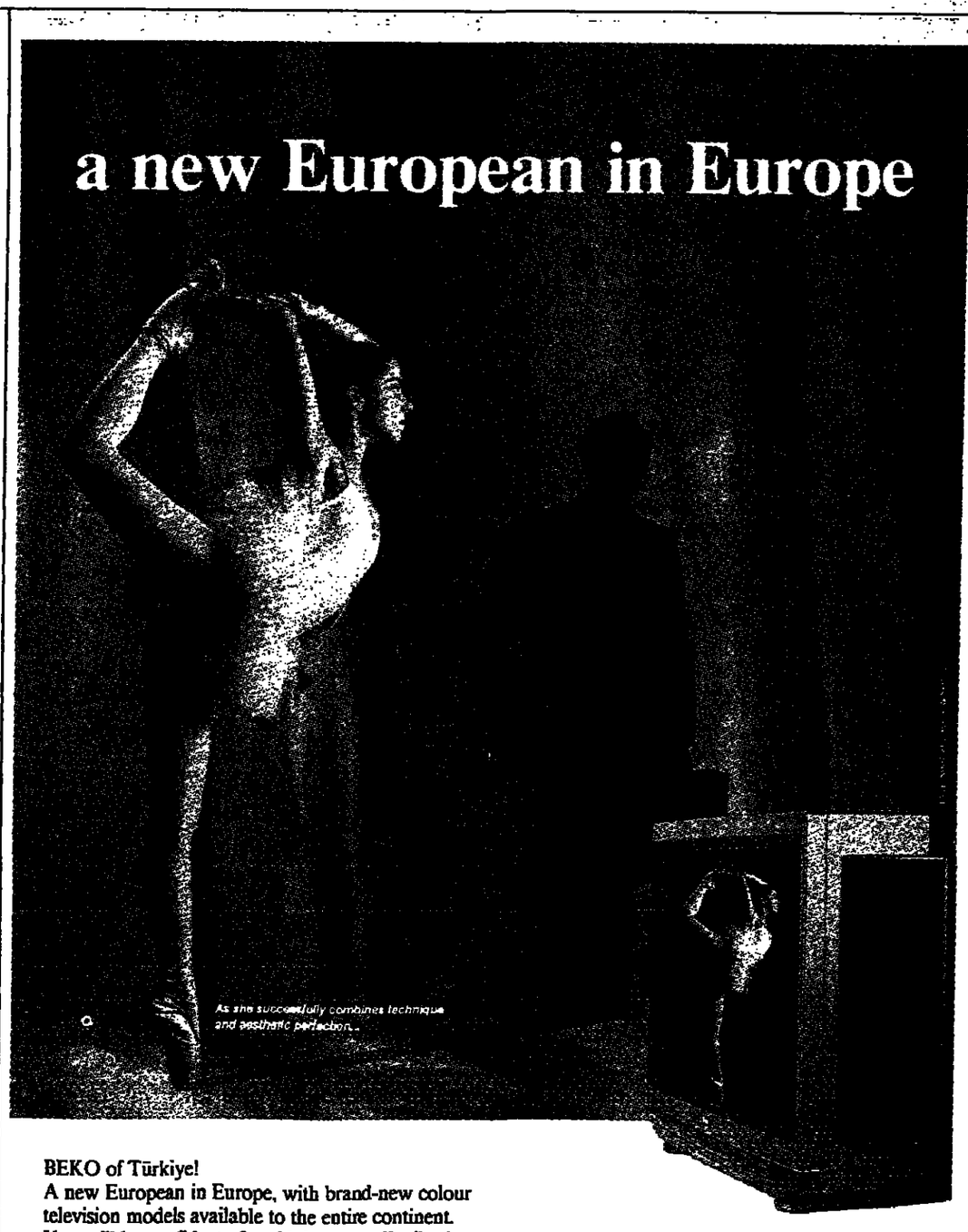

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Koç

Along the Silk Road, More Turco-Soviet Trade

After nearly 70 years, and with the blessings of Moscow, the Turkic republics of the Soviet Union are increasingly establishing cultural and economic ties with Türkiye, which is reciprocating in kind.

There was a time when any Turk interested in the Turkic-speaking republics of the Soviet Union was branded as a dangerous ultranationalist or a radical leftist, while any Central Asian with too keen an interest in Türkiye was dubbed a revisionist of the worst order.

Like long-lost cousins, the Turks of the East and the Turks of the West have

Economic zone may be formed

once more met along the Great Silk Road, and they are fairly luxuriating in their mutual rediscovery. The dromedary caravans of yore have been replaced by men in business suits riding in the sky.

Spurred by the huge natural-gas deal of the mid-1980s — a goods and services swap for Soviet gas exports — Turkish contractors are building hotels, spas and even shoe factories in various Soviet republics, and Turkish businessmen are purveying all manner of consumer goods, ranging from tea to textiles. The notion of a Black Sea economic zone is now moving past the speculation stage, and border trade between Türkiye and Georgia has taken on a life of its own since the opening of the Sarp Gate three years ago.

The Turks have now turned their attention to the largely neglected southern and central republics of the Soviet Union, partially because of cultural and linguistic affinities, but also because of the large market potential that has been neglected by others. With a total population of around 80 million, these republics offer good prospects, and it is tempting to look forward to a pan-Turkic economic zone.

"Our main advantage is proximity," says Dr. Ibrahim Cakir, the assistant undersecretary of the Treasury. "Our second is that we intuitively understand the Turkic peoples of the Soviet Union, and they us — after all, we share a 1,000-year-old history."

The most lively of the new relations involves the Soviet republic closest to Türkiye, Azerbaijan. Direct flights from Istanbul to Baku have been operating for the past few months, and Türkiye recently donated a television cable to transmit Turkish television into Azerbaijani living rooms. Azerbaijani operas are all the rage in Ankara.

In the realm of business, the Turkish Pet Holding just added a new company, Azerpetoil, to its Pet-Azer Holding in Azerbaijan. The new venture, with 50 percent of the $10-million capital from Pet and 50 percent from the Azerbaijani national oil company Azneft, is the third Turco-Soviet joint venture in the Soviet oil sector, but the first in oil-rich Azerbaijan. Pet Holding will receive 50 percent of the profits, which the Soviet state can then buy back at current prices in the Gulf.

But oil is, in effect, money, and unlike the Azerpetoil venture, other agreements have gotten bogged down in the mire of the barter deal. Essentially, the problem is that if Moscow has little in the way of hard currency to pay for imported goods, the republics have virtually none, and the central government has until now insisted on keeping the control of foreign trade in its own hands.

This may soon change following the new union treaty voted on by referendum across the Soviet Union in March. For now, however, many international executives have adopted a wait-and-see attitude.

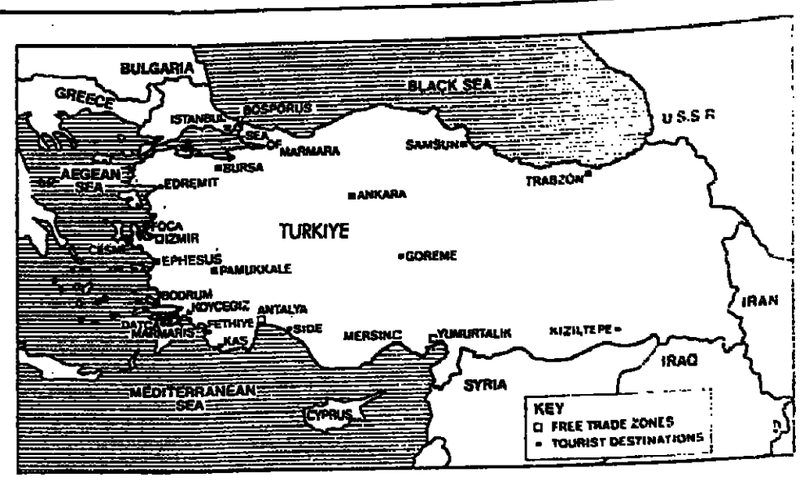
In this case, the Turks have the decided advantage. There is the existing natural-gas barter deal to refer to, and last year, just as other such financial institutions were starting to shy away, the Turkish Eximbank put up a $350-million credit package to more aggressively court the Soviet market.

One company that seized the opportunity is the Turkish pharmaceutical giant Eczacibasi, which sold $50 million worth of medical supplies throughout the Soviet Union last year. The company says it intends to expand its Soviet operations, with a new focus on the south-central republics like Azerbaijan, Uzbekistan and Kazakistan. The latter two republics, notably and sadly, are increasingly afflicted with the health costs brought on by the too rapid development of cotton farming, with all the concomitant diseases associated with open canals and bad drainage.

But if business and altruism can be partners, such seems to be the case. Türkiye's minister of health, Halil Sivgin, has made several trips to the Turkic republics to cultivate relations; this has resulted in a new protocol that will allow Turkish companies to set up 15 pharmaceutical depots, with half the payment to be made in dollars and half in rubles. The number of Türkiye-stocked pharmacies could grow to nearly 2,000 within five years.

It is certainly a tempting prospect: the Soviet Union, with a population approaching 300 million, imports about $4 billion worth of drugs every year — half its total consumption. Mr. Sivgin hopes that Türkiye could supply up to one quarter of those imports. Beyond drugs, there exists in the Soviet Union a keen desire for other items produced in Türkiye such as detergents, soap and cosmetics. The problem, as ever, remains hard currency or, alternatively, raw materials with which to buy the goods.

Thomas Goltz



Post-War Prospects Are Bright

Continued from Page 15

that saw their stocks depleted after two years of recession and struggled to keep abreast of soaring demand in the first half of 1990 will now have replenished their reserves. The rising import curve, which accounted for much of the 1990 trade deficit, is tapering off.

The rapid depreciation of the lira against the dollar appears to have revived export growth, which flagged in 1989 and 1990, by making Turkish goods more price-competitive on world markets. March exports increased 21.2 percent over the same month last year; despite the Gulf conflict, overall exports rose by 10 percent in the first quarter of this year, compared with January-March 1990.

The main motor of exports, textiles, received a boost in March when the United States agreed to double its import quotas on Turkish textiles. This agreement was followed in the same or considerable measure by countries such as Canada and Sweden.

The European Community, however, is only inching open the quota door. The issue of Türkiye's full-membership application appears to be on the back burner in Brussels while Eastern Europe preoccupies the EC Commission. Ankara is still pressing for a customs union with the EC by 1995, which would be the prelude to full membership as envisaged in its 1963 EC Association agreement.

The application may receive a boost with the appointment of Mesut Yilmaz as the new prime minister of Türkiye on June 17. Mr. Yilmaz, a former foreign minister and at 43 one of Türkiye's youngest prime ministers, replaces Mr. Yildirim Akbulut, who resigned after losing the leadership of the Motherland Party to Mr. Yilmaz last weekend by a vote of 631 to 523. Mr. Yilmaz is a fervent advocate of Türkiye's application for EC membership.

At the same time, the government is developing complementary markets nearer home. The Soviet Union is seen as a major growth area, while export credit bridgeheads have been opened in the Balkans and in other East European economies. Turkish diplomats are pressing hard for the establishment of a Black Sea Economic Cooperation Zone.

Nor has the government been laggard in traditional markets beyond Türkiye's southern borders. Opportunities abound in the new pragmatism under President Ali Akbar Hashemi Rafsanjani in Iran. Tehran has not taken up a Turkish offer of $400 million in export credit — because it would prefer to pay on cash terms. Mr. Rafsanjani's ground-breaking visit to Ankara in late spring resulted in an accord to sell three million tons of Iranian crude and an agreement in principle on a long-mooted $4-billion gas pipeline from Iran via Türkiye to Europe.

Even before the Gulf conflict ended, Iraq had made overtures to the Turkish government for a resumption of essential exports of food and medicines. Kuwait may provide some work in the short term, but Iraq is a far larger economy and offers greater long-term possibilities. The twin oil pipelines crossing in southeast Türkiye are a vital crude-export outlet for Baghdad, and they were kept in good running order — in Türkiye, at least — by the state pipeline agency Botas.

"When reconstruction starts, the Iraqis are going to need all kinds of things that Türkiye is best placed to supply — contractors, cement, lumber, chemicals," says Namik Kemal Kilic, the treasury and foreign-trade undersecretary.

As for the monetary impact of the crisis, the central bank was well-placed to meet the strain of a mini-run on both domestic and foreign-currency accounts early this year, anchored by record foreign-currency reserves of around $12 billion last year. These dipped significantly in January, but have since recovered to around $10 billion.

The central bank is also in a strong position to underpin external-debt servicing. Though Türkiye may return temporarily this year to the position of a net borrower rather than payer on its foreign debt, which totaled around $47 billion at the end of 1990, it will probably climb back ahead of payments in 1992.

The crisis appears to have barely dented the confidence of foreign investors in Türkiye's long-term prospects. The country offers a young, rapidly growing population of 57 million and a pivotal position between West and East, with important markets all around. Around $300 million worth of new project applications have been lodged in the first quarter, the highest ever for the period, according to Osman Unsal, head of the foreign-investment department in the State Planning Organization. Last year, net foreign-investment inflows reached $789 million, along with $1.8 billion worth of project approvals.

Although the Gulf crisis inflicted cosmetic damage and businesses are bracing themselves for a tough year in 1991, the underlying fundamentals of the Turkish economy are still firmly in place.

J.B.

Privatization in Turkey

Mankind is entering a new era.

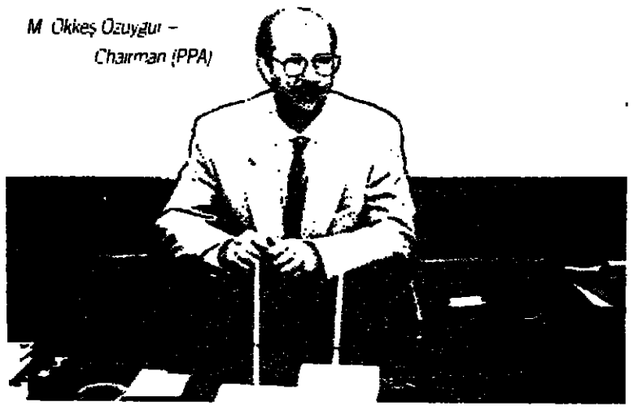
Within the last decade of the 20th century, soaring technological developments are coupled with rapidly diminishing economic and political borders. Winds of change are blowing stronger than ever in human history.

TURKEY'S CHANGING FACE

The ongoing evolution in the world's economic order is also affecting Turkey. Placed at the junction of three continents, the country is presently passing through a period of integration into the World Economy.

The structural reform which has been implemented as government policy since 1983 aims at minimizing State intervention in the economy, and its rationalization through the establishment of competitive market mechanisms. To this end foreign capital inflow has been liberalized, and has reached approximately $1.3 billion in 1990.

Privatization policy, whose rationale has gained unanimous recognition around the world during the last decade, is a fundamental part of this economic trend. In an age when the globalization of the world economy is being accomplished, the momentum of privatization will continue to keep pace both at home and abroad.



M. Okkeş Özuygur – Chairman (PPA)

TURKEY'S PRIVATIZATION PROGRAM

In Turkey privatization is being conducted by the Prime Ministry's Public Participation Administration (PPA) which was founded in 1984. The Administration presently has 87 companies in its portfolio including State Economic Enterprises, banks, subsidiaries and equity participations. Since 1988 State shares in 20 establishments have been transferred to the private sector through block sale. There have been public offerings of shares in 15 companies so far.

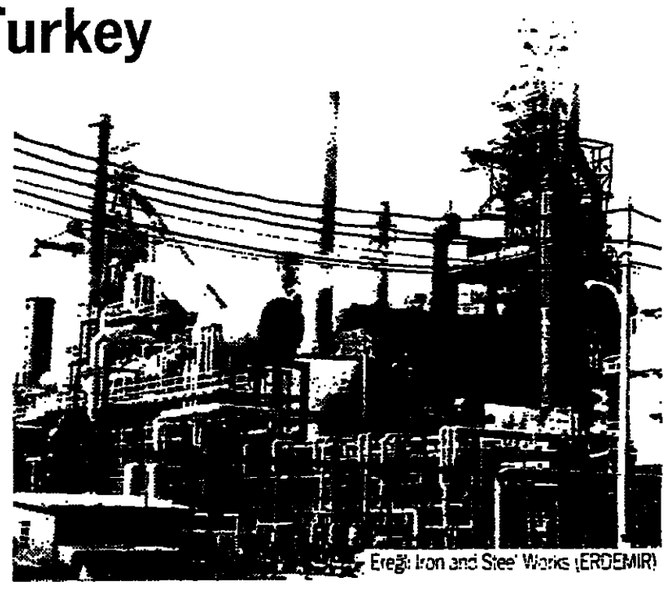
Among firms whose stocks were offered to the public are Ereğli Iron and Steel Works (ERDEMIR), which meets 61% of Turkey's iron and steel demand; Petrokimya Holding (PETKIM), which supplies 76% of domestic petrochemicals; and Turkish Airlines (THY), which meets 85% of the country's air transport demand.

INTERNATIONAL OFFERINGS AND BLOCK SALES

The remaining state ownership in these quasi-monopolies, in market share terms, are planned to be transferred to key foreign and domestic core investors within this year.

In February 1991 part of TOFAŞ Oto Ticaret, a major automobile marketing firm, has been sold to Italian FIAT S.p.A. which was already a stakeholder in the company.

Studies are currently underway at the PPA for the global offering of shares in ERDEMIR, PETKIM and Çukurova Elektrik (an electricity supply concern), through quotation on major international stock exchanges during 1991.

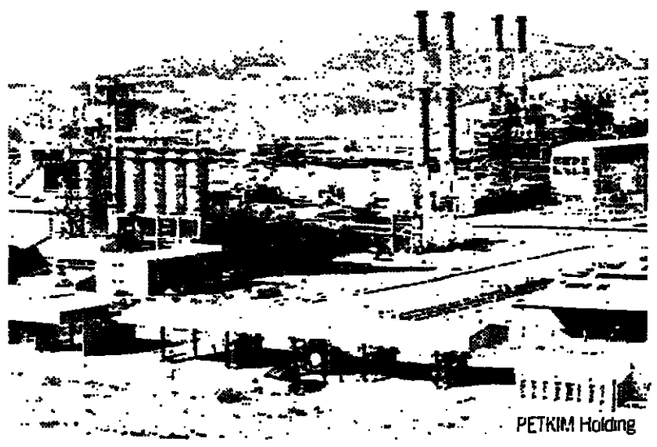


Ereğli Iron and Steel Works (ERDEMIR)

PUBLIC OFFERINGS AND SALES TO CORE INVESTORS

The program will also continue its rapid pace at home. During the last six months there have been public offering of shares in Konya, Ünye, Mardin, Adana and Afyon cement factories, THY, and the MIGROS chainstore. Privatizations through public offerings on the 1991 agenda are TOFAŞ-Türk Otomobil Fabrikalari – a major automobile manufacturer – and its marketing firm TOFAŞ-Oto Ticaret; GIMA chainstore; Niğde cement factory; NETAŞ, an electronics and telecommunications concern; Turkish Petroleum Refineries (TÜPRAŞ); and Petrol Ofisi (POAŞ), a distributor of petroleum products.

The 1991 agenda also includes the block sale of Türk Kablo, a cable and wire producer; IPRAGAZ, an LPG distributor; Adana Kağit Torba, a paper bag producer; several fruit juice and soft beverage factories; an agricultural machinery manufacturer and its marketing concern; etc.



PETKIM Holding

A FLOURISHING CAPITAL MARKET

The Turkish Capital Market is becoming institutionalized thanks to the PPA's privatization efforts. In this context, PPA has closely monitored the supply with a view to enhance the market's depth and build a strong capital market. As in the case of more developed countries, the Istanbul Stock Exchange is about to become an important economic indicator of the country's economic performance.

In an era when Turkey is emerging as one of the strongest economies of this strategic region of the world, Turkish privatization should be looked upon as providing the best opportunity for establishing a new partnership with the largest Turkish companies.

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ADVERTISING SECTION

Turkish Banks: Reform and Expansion

Türkiye's banking sector has been at the forefront of the structural adjustment program since the early 1980s. Encouraged by the example of foreign institutions, the large domestic retail banks have overhauled operations, expanded their range of services and introduced new technology.

The reform of the banking system has accelerated over the past three years, helped by a strong Central Bank under its energetic young governor, Rusdu Saracoglu. As a result, responsible restraint in the face of rising interest rates this year has mitigated the unbridled competition for deposits that saddled the sector with overliquidity when rates were first freed in autumn 1988. Interest rates for one-year deposits at the end of May were about 61 percent; by comparison, inflation was 62.5 percent in the previous 12 months.

In the first week of April, $16 billion in deposits

Deposits in the banking system in the first week of April totaled 63.7 trillion Turkish lire ($16 billion), compared with total credits of 68.3 trillion lire.

Both private and state banks have diversified into consumer credit, which represents a shift from their traditional role of financing the corporate sector. Previously, deposits in the overblown branch networks were channeled toward corporate borrowers, but the lack of corporate lending opportunities during the 1989 industrial recession has hastened the expansion into consumer credit.

Consumer credit now accounts for about 5 percent of short-term loans, compared with almost nothing 18 months ago. It is offered in increasingly sophisticated packages such as student loans and installment payments for consumer durables like cars, electrical goods and appliances.

Widespread computer automation and plastic cards have contributed immensely to the growth in consumer credit. Since they were first installed three years ago, automated teller machines have become as accepted a banking custom in Turkiye's larger urban centers as they are in any European city.

At the same time, with the encouragement of the World Bank, depositors have become more protected. The Treasury has enforced an increase in mandatory capital-adequacy ratios toward 8 percent in 1992 from 5 percent in 1989, in line with standards set by the Basel-based Bank of International Settlements.

Domestic institutions have also improved on a high incidence of nonperforming loans, which were the legacy of the sudden switch to real interest rates jacked above inflation in the early 1980s. As a condition of its major financial-sector restructuring loans, the World Bank has also promoted the establishment of an interbank depositors' insurance scheme.

Turkish banks are constrained in the amount of lira and foreign-exchange reserves they can use freely. At the end of March, the compulsory liquidity rate was increased to 35 percent for domestic holdings, 30 percent of which should be in government bonds and the remaining 5 percent in cash. In addition, an average 17 percent of variable time deposits of up to one year, which carry zero interest, have to be lodged with the central bank.

A good year in 1990 made compliance with these strictures easier for the banks. Industry, recovering quickly on the back of a demand surge in the first half of the year, was eager to borrow; with falling deposit rates over much of the period, margins were fat. Many domestic institutions profited with capital increases through the buoyant stock market.

This year may not be as good as last year for the banks. Interest rates increased again starting in September, but at a gradual pace — banks had learned their lesson in 1989. In May, the Treasury stepped in with an informal cap of about 61 percent for the longest term.

"On the one hand, the various developments in 1991 show tremendous profit opportunities for banks that can adjust quickly, but on the other hand, funding has become far more difficult," says Ustun Sanver, the outgoing secretary-general of the Turkish Banks' Association. "The economy has been negatively influenced by developments during and after the Gulf war, but every crisis is an opportunity."

Interest rates have risen mainly because of the pressure of the public-sector borrowing requirement (PSBR). The latest Treasury offering in early June showed a decrease to 60.9 percent for one-year bills. Previous Treasury rates, however, had been nudging up bank lending rates of around 80 percent.

"After that experience, we are very careful not to increase rates further," says a senior Is Bankasi official. "We hope within a few months to start to bring them down a little bit." He hopes that with better conditions in the second half of the year, banks will be able to close their balance sheets satisfactorily, even if it is only a moderate year.

At the same time, domestic banks could replace lost domestic earnings with increased earnings from foreign-exchange intermediation, as lira depreciation speeds up on the foreign-exchange markets, impelled by a strong U.S. dollar.

Faster lira depreciation could also be good for the foreign banks, which have struggled over the past two years against lower margins in their main business, foreign-exchange financing. Foreign banks have also been far more dependent on the vagaries of the interbank market than the big domestic institutions, which can rely on a large volume of funding from deposits through extensive branch networks.

Since the mid-1980s, however, the foreign-exchange markets have become congested. The trend among the 20 or so foreign banks in Türkiye is to use their imported skills in corporate underwriting. Some banks believe that this may be done more freely — and on a par with local institutions — by converting into subsidiaries rather than branches; such a move would also be a way of getting around U.S. banking laws that restrict their direct exposure to foreign capital markets.

Citibank, for one, has opted not to go down the subsidiary route. But its faith in Türkiye remains unchanged. "We're here to stay, here to grow," says Maarten Hulshoff, general manager of Citibank's Istanbul branch. "We are very bullish on Turkiye in the medium and long term."

Turkish banks are increasingly branching out abroad, particularly in the EC, where they hope to establish a foothold before the door closes more firmly with the single market after 1992. Two recent developments are a 50-50 joint venture established in Frankfurt by state-owned Ziraat Bankasi, Türkiye's largest bank, and Deutsche Genossenschaftsbank (DG Bank); and another venture established in Paris by the state banks Emlak Bankasi and Vakiflar Bankasi, the Istanbul-based merchant institution Finansbank, and France's Banque Worms.

J.C.

The IMKB plans to centralize all capital-market activities under one roof.

Istanbul Stock Market Tests Its Wings

The Istanbul stock exchange has been going through ups and downs since the start of the Gulf crisis, like those in many world centers. Through steady expansion in the previous two years, however, it had developed sufficient volume and resilience to survive periodic sags in investor confidence.

In its initial stages, the Gulf crisis impacted the Istanbul stock exchange (IMKB) less than expected, according to the exchange's president, Yaman Toruner. As tensions grew and uncertainties persisted, however, investors preferred to shift into short-term, hedging instruments. When armed hostilities ended, investors returned to the market in a bullish euphoria.

Investor appetites were dampened once again, however, by factors like a steady rise in bank deposit rates, the attractiveness of rival yields in the interbank money market and foreign-currency trading, and the falling due of corporate tax bills.

Expectations for economy focus attention on trading

"The decline in stock prices creates a new buying opportunity for sophisticated investors," says Mr. Toruner. The entry of new members, the steady volume in the traded values and long-term expectations for the market and the economy will keep attention focused on stock trading even in the short term, he adds.

The forward-looking exchange management has taken several steps to modernize the IMKB's operations and services. One innovation — a first for any stock exchange — is the umbrella insurance of the exchange itself, its members and the securities traded against all the types of risk associated with such a vast market.

There are also plans to have all stock certificates and securities traded on the IMKB "security printed," which would feature state-of-the-art facilities, comprehensive automation and computerization, once the question of a new building is settled. The IMKB is still waiting for the outcome of a court hearing on the objections of the Istanbul municipality to the government's proposed conversion of a historic building in Macka to a trading floor, which would relieve the present congestion on the tiny floor of the exchange's present building in Tophane.

Deeper and more regular contacts will be established with traded companies for a steady and accurate flow of information to the investing public. A board of inspectors will supervise and monitor the activities of the exchange's members. Settlement and custodian functions have been transferred to a state-owned bank, which will create a special company with the participation of other members.

The exchange has also introduced an off-floor, odd-lot trading system handled by selected members to accommodate small investors. The IMKB had already initiated off-exchange trading as a way of enfranchising the unbridled street trading of stocks and shares, although officials see the street market as a limited threat. Patronized mostly by the same people each day, it is not a market where prices are established.

There are plans to establish other markets for bank notes and gold to reinforce Istanbul's position as a major financial center. The exchange recently introduced the trading of securities other than stocks, including debt instruments, government securities like treasury bills and bonds, corporate bonds, commercial paper and bank bills.

While centralization will not directly affect stock trading, it will give IMKB members more flexibility and the ability to diversify and broaden their portfolios. The move will also bring greater transparency and competition to the markets.

The watchdog Capital Markets Board in Ankara is beginning to wield a bigger stick, with its recent suspension of three brokerage houses for three days each due to inaccurate accounting procedures. "Now it is the rules that speak," says Sukru Tekbas, the CMB's head. "The training period is over."

J.B.

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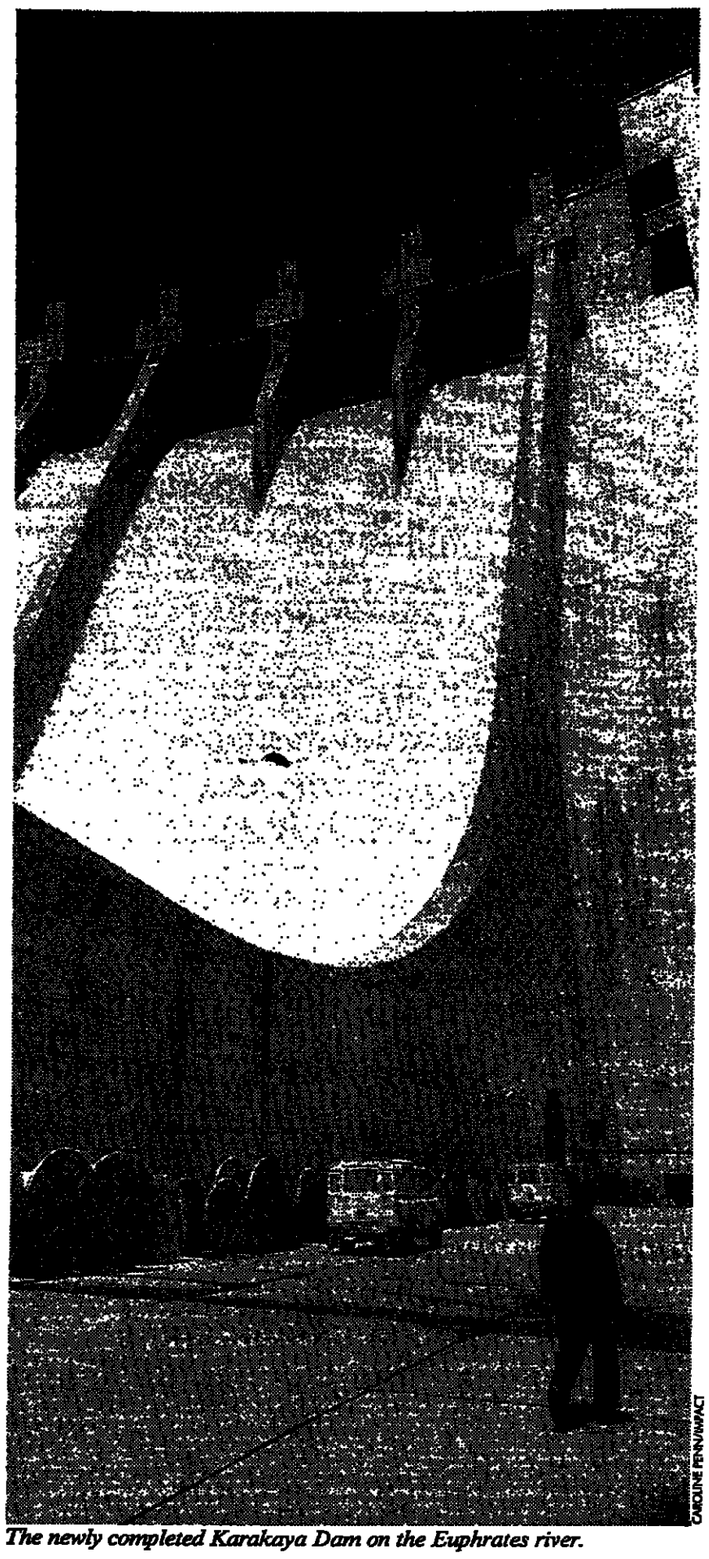
CAROLINE PENN/IMPACT

The newly completed Karakaya Dam on the Euphrates river.

Energy Sources Fuel Industrial Growth

The Turkish economy is heavily dependent on imported oil, since domestic production meets only 17 percent of demand. For the government, energy is the key to the transformation of Türkiye into a trading and industrial power.

Iraq's twin oil-export pipelines crossing southeast Türkiye for 986 kilometers (613 miles) were perhaps the most tangible symbol of the delicacy of Türkiye's position in the Gulf crisis. Their combined capacity of 1.5 million barrels a day was one of Baghdad's principal revenue earners until staunched in August in compliance with UN sanctions.

The ease with which Türkiye's energy sector weathered the crisis without drastic measures like widespread power cuts demonstrated its resilience after a decade of rapid development, which followed the difficult days at the end of the 1970s. For whatever regime finally emerges in Baghdad, the pipelines will be an economic necessity.

Within Türkiye, at least, the pipelines and their pumping stations have been kept in good repair and full of crude by the Turkish state pipeline agency Botas.

Although the closure of the pipelines has meant lost transport royalties and handling fees of around $280 million annually for Botas, the government quickly restructured oil supplies last year to compensate for the lost Iraqi crude.

In 1990, Türkiye would have imported around 41 percent of its crude from Baghdad, 7.5 million metric tons in total; around 5.8 million metric tons of this had already been lifted before the sanctions. Saudi Arabia and the United Arab Emirates have made up most of the difference — with an added boon, since Saudi Arabia is supplying $1.1 billion worth of free oil at a rate of 160,000 barrels a day.

In 10 years, Türkiye may turn to nuclear power

Domestic production is returning to the heights reached in the early 1970s, after which depletion outpaced new discoveries of Türkiye's mainly small fields in the southeast. The country's largest producer, the state-owned Turkish Petroleum Corporation, has nearly doubled its output to 70,000 barrels a day following promising discoveries near Adiyaman.

At the same time, Türkiye has been diversifying away from crude toward Soviet natural gas, which is due to rise to 6 billion cubic meters (212 billion cubic feet) annually next year and much more by the turn of the century.

The gas is imported through a pipeline from the Bulgarian border to Ankara. To supplement Soviet gas and to diversify sources, Algerian liquid gas will be imported through a terminal upon its completion in 1993 near Istanbul on the Sea of Marmara; gas will be supplied at a rate of 2 billion cubic meters annually for 20 years.

All this will require the construction of pipelines on a grand scale, with Türkiye perhaps tapping into major projects transporting gas from Iran and Qatar to an ever-more-demanding Europe.

The gas will gradually replace fuel oil and the foul-burning, sulfurous lignite (brown coal), which at present are the primary sources of fuel for thermal power stations, industry and home heating.

Much of the chronic pollution in the winter skies of Anatolian cities is due to lignite: its production is still on the increase, and several new major power stations that will burn it are under construction, with East European assistance.

The most significant strides over the last decade have perhaps been in electricity-generating capacity, which has kept ahead of a doubling of per-capita consumption from the 500 kilowatt-hours in 1980. In the first eight months of 1990, consumption increased by 7.2 percent compared with January-August 1989, while output rose by 9.9 percent. In 1990, installed capacity rose by 4.3 percent to total 16,400 megawatts; in 1991, it will increase to 17,450 MW.

Since the end of the 1980s, budgetary austerity has forced the state-owned Turkish Electricity Board to concentrate on transmission-line erection, particularly from the massive 2,400-MW Ataturk dam on the Euphrates, which should start up next year. The output from existing stations and those presently under construction should be able to meet demand until 1995, but if electricity production is to keep pace with industrial expansion, construction will have to start on new power plants by 1992.

One hope is that work can be started on the first of several build-operate-transfer (BOT) power stations burning imported coal and sited in strategic coastal locations. A Japanese proposal for a 980-MW plant at Aliaga near Izmir has been stalled for more than a year by environmental objections.

Hydroelectric power is another avenue. The country has tapped only around 25 billion kwh per year of its estimated annual hydropower potential of 120 billion kwh, although projects for another 20 billion kwh, including the Ataturk dam, are still under construction.

Planners say that eventually — probably soon after the turn of the century — conventional energy sources will be insufficient or too expensive, and the country may be forced to turn to nuclear power. The military endowed the incoming civilian government in 1983 with letters of intent for three major nuclear installations, which the generals saw as a panacea for Türkiye's energy deficits. But the thrifty first government of the then Premier and now President Turgut Ozal was hesitant, and nuclear power was tarnished politically in Türkiye after the 1986 Chernobyl disaster.

J.C.

Complexity Made Simple: A Business Travel Guide

Now that the long strike by pilots and employees of state flag carrier Turk Hava Yollari (THY-Turkish Airlines) is over, Türkiye has once again become a special mixture of simplicity in complex matters, and complexity in simple ones.

Travelers to Türkiye will notice one difference these days. There is no longer a shortage of good hotel rooms. Swissotel-Bosphorus has opened in Istanbul, and the Kempinski, next to the waterfront Ciragan Palace, adds another boost to the city's range of accommodations.

Turks are enthusiastic, but relationships take time

Recently purchased by the Abu Dhabi Fund, the Kempinski brings to six the number of hotels in Istanbul that have all the facilities required by an executive traveler. The others are the Hilton, the Marmara, the Parksa Hilton and the Sheraton.

In the capital, the Ankara Sheraton, owned by the Kavala Group, has just opened to challenge the lead of the Ankara Hilton.

The practical side of doing business has become easier. Taxis have meters, which must be used. The meter should display one red light. If two lights are displayed, you are being overcharged — unless it is night or you are on the road from Ankara to the airport.

The telephones work for local and international calls, and good restaurants are plentiful. These include the Park Samdan and Bronz Brasserie in central Istanbul.

In your business dealings in Türkiye, get used to working to a different clock, which stops each time a meeting is delayed, deferred or interrupted by a telephone call.

Turkish businesspeople travel often, so meetings should be set up well in advance and confirmed just before the appointed date. Where government officials are concerned, do not assume they will be in their offices when you think they will. Ministers summon civil servants at short notice, and President Turgut Ozal himself summons ministers.

Turks are open and enthusiastic. If they do not reply to letters, it does not necessarily mean they have lost interest; they are less accustomed than you are to a written business culture. Developing a relationship takes time, but the opportunities are there. Foreign trade exceeds $30 billion annually, and 1,800 companies have already been established with the help of foreign investment.

David Tonge

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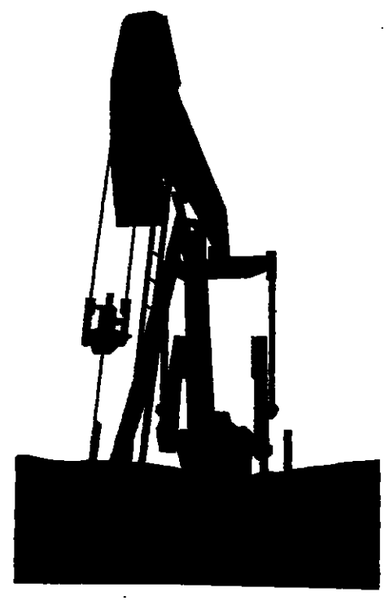

It is only beneficial.

** TPAO, the Turkish Petroleum Corporation (Türkiye Petrolleri Anonim Ortaklığı), with its capital of TL 1 trillion is ranked 198 th in the Fortune Magazine's 1988 listing of "World's Largest Industrial Corporations" and boasts an experience of more than 35 years in oilfields at home and abroad, and a 1 in 7 striking record in exploration wells drilled. The giant state enterprise also controls 4 of the country's 5 major refineries.*

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ADVERTISING SECTION

Automobile Sector Revs Up and Races Ahead

The Gulf crisis has not dampened hopes for the future of Türkiye's carmaking sector, which is expected to take off this decade after years of small economies of scale behind high protectionist tariff barriers. Annual demand for new cars, including imports, could soar from 220,000 units in 1990 to one million by the end of the century.

Increasing domestic demand and a surge of foreign investments have boosted the car-manufacturing sector.

In his offices at Kartal in Istanbul, Ozdemir Sabanci brushes aside any second thoughts about the future of Toyotasa, the latest entrant to Türkiye's car-manufacturing sector. Toyotasa is a joint venture between

Multinational giants plan major investments

the Japanese giant Toyota and Türkiye's leading industrial parent, Hajji Omer Sabanci Holding.

"We had some misgivings during the crisis," he says, "but Toyota wanted to push on." The $325-million first stage of the project aims at a start-up production of about 10,000-20,000 units of Toyota's latest Corolla model in 1993. Production of cars and commercial vehicles will rise to the targeted 100,000 units by the second half of the decade.

Other multinational giants are taking a keen interest in Türkiye, where car ownership for both status and mobility is spreading among a growing middle class in a rapidly expanding population. At Torbali outside Izmir, General Motors has started production of the Vectra model made by its German subsidiary, Opel. It is already negotiating to double the plant's existing annual capacity of 10,000-15,000 units.

France's PSA Group plans a major investment, with an eventual capacity of 100,000 units, to manufacture the Peugeot 405 saloon and Citroën's future medium-range car. Japan's Nissan and the local BMC, a subsidiary of the Cukurova Group, have just announced a cooperative agreement for a $300-million plant with a projected annual output of 100,000 Nissan cars, aimed to start up in 1994. Attracted by the import liberalization that has brought Türkiye in line with the European Community, Far Eastern manufacturers like Mazda, Daihatsu and Subaru are pushing their products in brand-new showrooms.

In November, the present market leader, Tofas, owned by Italy's Fiat and the local Koc Group, started making the Tempra model, introduced only six months previously in Italy. Tofas's overall production target this year is 104,000 units, compared with 88,000 units last year; the bulk of production will be its three versions of the Fiat 131, restyled over the past few years. Over the next few years, through the construction of an engine and transmission plant, Tofas plans to increase the locally manufactured components of the Tempra and upgrade its main range.

Close behind Tofas is Oyak-Renault, which produced about 70,000 cars in 1990. Its major shareholders are the French company Renault and the army's mutual fund, Oyak. The company, which has made the rugged Renault 12 since 1972, has broadened its range with the introduction of the Renault 9 in 1985, the Renault 11 in 1988 and an upmarket model, the Renault 21, last year. Oyak-Renault has already invested $130 million in capacity increases and the introduction of the Renault 21. In the medium term, it plans to expand its capacity by at least 50 percent.

Türkiye's fourth-largest carmaker, out of 20 automotive-vehicle manufacturers, is Ford licensee Otosan, another Koc subsidiary. Otosan has a limited production run of Ford Taurus models alongside its main production of commercial vehicles.

This diversity of choice among domestic manufacturers will increase even further. This year, Tofas will test the market for a small car with the importation of around 2,000 units of the Fiat Uno, in addition to the small Fiat models like the Tipo, which are already available. General Motors may introduce the Opel Kadett.

Domestic manufacturers like Toyotasa and Otosan are considering local production of luxury models, a niche presently occupied by imported Mercedes cars, large BMWs and the like. A possibility for Otosan could be the local manufacture of the Scorpion.

Competition has also spurred foreign investment and improved quality and efficiency in domestic side industries. General Motors has invested heavily in components manufacturing, as has France's Valco through brake and clutch equipment manufacturer Transturk. Toyotasa's investment incentives require it to reach a local content of 30 percent in its first year of production, and it is sizing up local suppliers.

This vertical integration, compared with the insular import substitution used previously, can only be good for the industry. Tofas and Oyak-Renault already have healthy foreign-order books for both cars and spares. In addition to exporting its components, General Motors has won orders for the export of 5,000 Turkish-built Vectras to Italy, France and Spain.

J.C.

Knocking on Quota Doors: Textile Exports Increase

Türkiye is fast becoming an intermediate textile-manufacturing center. Like the country, the textile industry is poised between East and West.

Textile exporters and manufacturers have gone through hard times over the last few years, but the recession has channeled manufacturing investment into the textile sector's most competitive area, higher-value-add-

Around 75% of textile exports go to the EC

ed fashion goods, making the most out of quota restrictions in Türkiye's main OECD markets.

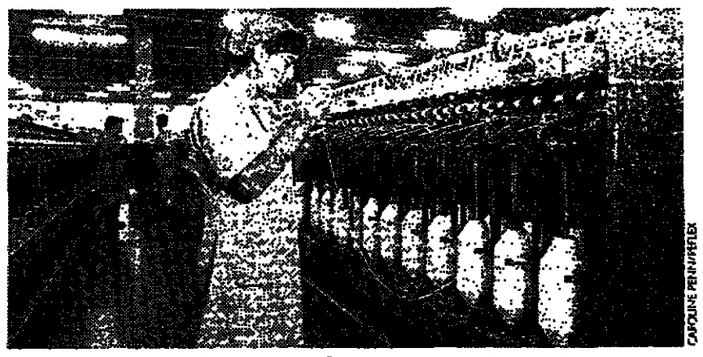
The textile industry is becoming far more high-tech as larger companies invest in computer-aided design (CAD) and computer-aided manufacturing (CAM) systems.

Since 1980, the ready-to-wear garment sector has expanded faster than any other in the industry, due to export-oriented government policies, selective investment incentives and import-duty waivers on capital machinery and equipment. Exports of ready-to-wear increased to $3.688 billion in 1990, from $488 million in 1984; its share of total textile exports rose from 27 percent to 39 percent over the same period.

This year could see a recovery for the sector, at least in export sales. An acceleration in the Turkish lira's depreciation on foreign-exchange markets has improved price competitivity. While exporters could not fill EC and U.S. quotas last year, in 1991 they will probably make good use of a doubling of U.S. import quotas. Markets in Canada and Sweden are opening up as well, following Türkiye's support of the Western coalition during the Gulf crisis. Senior Treasury officials estimate that the U.S. quota increases alone could raise textile exports to the United States to around $1 billion annually.

In the main market for Turkish textiles, the EC, quotas have been expanded to 30 percent, permitting an overall increase in exports of textiles to the EC by $250 million in 1991 compared with 1990, and by $330 million in 1992 compared with this year. Around 75 percent of all Turkish textile exports go to the EC.

Coordinating the export effort is the Istanbul Textile and Garments Exporters' Association (ITKIB). Over the past two years, it has allocated quotas based on past performance, which favors larger firms, and used free pool distributions through a capacity qualification, which encourages mergers among small sweatshops and their assimilation into the medium tier of companies, optimizing the quotas.



Cotton spinning in Adana: manufacturers turn to cheaper imports.

At home, import liberalization has reduced the profitability of yarn-spinning and gray-cloth weaving, to the extent that many manufacturers are phasing out these operations.

J.C.

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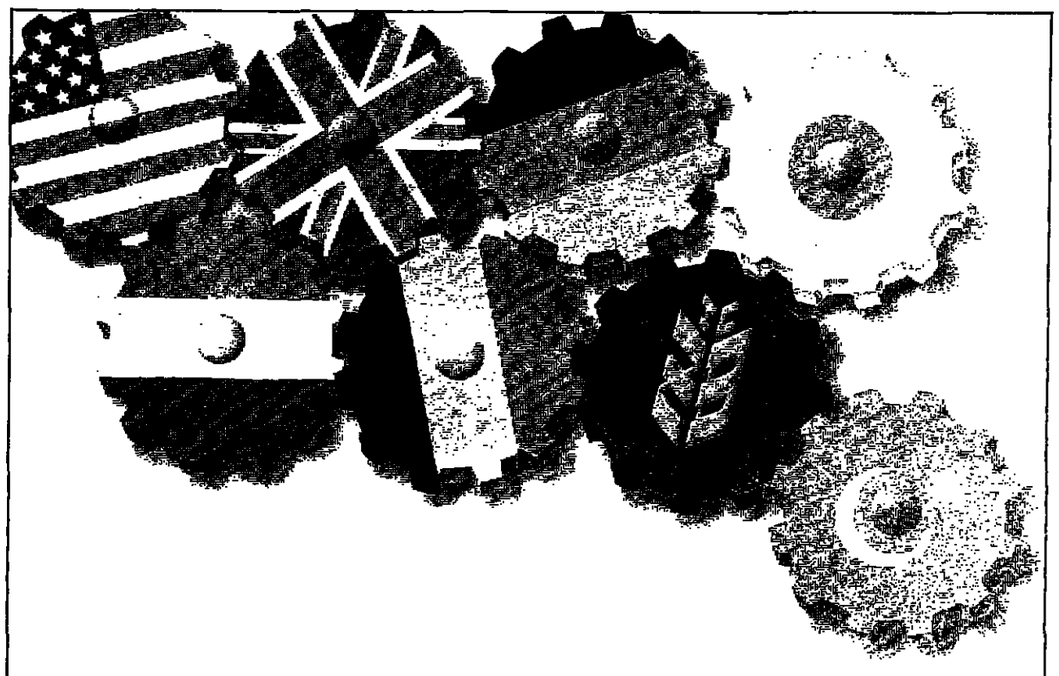

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to Brussels... where Ziraat plays an active role in the integration of Türkiye with the European Community, and to Rotterdam... where Ziraat forges vital links with European financial institutions.
to New York... where Ziraat speeds up banking transactions between the United States and Türkiye.
and to Tokyo... where Ziraat acts as an advisor on business opportunities between Japan and Türkiye.
All this makes Türkiye's biggest bank also it's most international bank.

So when you're looking for help and guidance with your investments in Türkiye-from industry to tourism-look to Ziraat first.

T.C. ZİRAAT BANKASI

Koc Group: Turkish Giant Moves Onto World Stage

Koc, long a household word in Türkiye, is identified with the birth and growth of private-sector Turkish industry. Its $9.1-billion turnover rivals that of many Western giants.

Koc is not yet well-known in international marketplaces, but that should soon change. The group plans to issue commercial paper valued at around $100 million in West European markets. "We're doing this not because we need the money," says Chairman Rahmi Koc, "but so that European bankers and brokers will know our name."

Eastern Europe is a lucrative niche

The group's origins go back to the founding of the Turkish Republic in the 1920s when Vehbi Koc, Mr. Koc's father and the group's honorary chairman, took over the family grocery store in the new capital, Ankara. The enterprise began to develop in the import-export business before World War II through dealerships and exclusive representations from leading West European and U.S. companies.

Those external links were to prove instrumental as the private sector budded in the late 1940s and 1950s. Vehbi Koc steered his activities toward local assembly, initially concentrating on home appliances. In 1963, Koc Holding was established as Türkiye's first holding company.

Taking advantage of the opportunities in import substitution, by the end of the 1960s, Koc products ranged from agricultural tools and cars to canned food and textiles. A shift into actual manufacturing followed, notably with the establishment of an engine-block foundry.

In the mid-1980s, critics said that the Koc Group was too much a child of import-substitution to adapt quickly to an era of sweeping liberalization and export-driven expansion. These doubts have proved largely unfounded. Foreign-exchange earnings rose to $632 million in 1990, an 8-percent increase over the previous year. In 1990, for the third consecutive year, its main trading house, Ram dis Ticaret, headed the list of Foreign Trade Corporate Companies, which qualify for special government incentives on the basis of exports of $100 million or more. Ram increased its export sales by $38.9 million in 1990 to a total of $542.5 million, and it is spearheading the Turkish penetration of new East European and Soviet markets.

In Eastern Europe, the appliances and electronics manufactured by Koc companies have found a lucrative niche between costly Western products and low-cost domestic goods. Koc hopes for a slice of the British market through another trading subsidiary, Arnes Limited, which acts as a sales agent for the household appliances, electronic goods and construction materials made by Koc companies Bekoteknik, Arcelik and Turk Demir Dokum.

The group's subsidiary Tofas, a Fiat licensee, already leads sales of cars made domestically. The Tempra model had been introduced in Italy market only the previous spring.

Koc is streamlining its operations for the 1990s. "We are continuing our investments," says Rahmi Koc. The emphasis is on export-oriented industries, new equipment, the elimination of bottlenecks, and labor-saving devices to counteract the high costs of recent wage settlements. He stresses that inefficient operations will either be sold or closed. Koc is also planning to float some shares in Bekoteknik to raise funds and widen the shareholder base.

Group profits are likely to be lower this year than last, says Rahmi Koc. Most consumer industries in Türkiye enjoyed a profitable year in 1990 on the strength of a surge in demand in the first six months. This year, the Gulf crisis caught up with the Turkish economy, but business has been resilient. "We still have a strong balance sheet," says Rahmi Koc.

J.C.

Rahmi M. Koc, chairman of the Koc Group: "The liberal economy is like oxygen."

Maritime Operations: Smooth Sailing on a SEE

The goal of the rènovation and modernization program of the Turkish Maritime Operations General Directorate (TDI) is to make it fully competitive and productive.

Until the early 1980s, the Turkish maritime sector was dominated by Turkish Maritime Lines, a large state economic enterprise (SEE) handling a broad range of seagoing activities. In 1984, the government decided to divide TML into four separate companies, each concentrating on a particular sphere of activity.

1990 profits were TL48 billion

Turkish Maritime Operations was formed in 1985 as a separate SEE. It currently has a paid-up capital of 152 billion Turkish lire ($38 million) and employs 9,000 people.

The agency's primary responsibilities are passenger and vehicle transportation, port administration, pilotage, salvage and coast-guard services. It also offers administrative, legal and advisory facilities.

The enterprise has 115 vessels operating in Turkish and international waters. In 1990, the company transported 116 million passengers and 4.5 million vehicles. Over 100 million passengers were carried on urban ferry services on the Bosporus and the Sea of Marmara in the vicinity of Istanbul. There are also passenger lines from Istanbul to towns on the Marmara, Aegean and Black Sea coasts.

One of the major problems facing any fleet is that of aging vessels. In 1985, the 73 ferry boats operating on urban routes had an average age of 24 years. Over the last five years, the fleet has been expanded and modernized. There are currently 94 vessels with an average age of 13 years operating on urban routes.

The policy of renovation and modernization has been extended to the landing stages. Several of the older passenger terminals have been restored or rebuilt, and many of the wooden quays replaced with concrete ones.

Although they are still small in terms of global volume, the international lines are growing rapidly. In 1990, Turkish Maritime Operations carried a total of 341,000 passengers on its services to Italy and Northern Cyprus, an increase of almost 80 percent over 1989.

The rapid growth of Turkish tourism during the late 1980s has led to an increase in demand for cruises. Turkish Maritime Operations recently placed orders for two ships, each with a capacity of 2,100 passengers. The first ship is due for delivery in May 1992, when it will begin running daily cruises in the Aegean and Mediterranean.

Over 86 percent of Turkish foreign trade was carried out by sea in 1990. Turkish Maritime Operations has been at the forefront of the drive to modernize Turkish ports; it has installed the latest equipment and facilities in the ports of Istanbul and Izmir. The growth in trade with the Soviet Union has increased the strategic importance of the Black Sea region, and Turkish Maritime Operations recently implemented modernization projects at the ports of Trabzon and Hopa.

Black Sea trade plays an important role in another activity of Turkish Maritime Operations — pilotage. Last year, over 18,000 foreign ships transited through Turkish waters, many of them on their way through the Bosporus.

Turkish Maritime Operations coast-guard services include 354 lighthouses around the Turkish coast. Because of increased fuel costs and transportation problems, 43 of these were converted to solar energy by the end of 1990.

Salvage forms a small but important part of the enterprise's activities. This operation is carried out by a fleet of three vessels, two salvage ships and one firefighter.

In 1990, salvage operations generated a profit of TL6.6 billion on earnings of TL12.2 billion.

In 1990, Turkish Maritime Operations recorded total profits of TL48 billion on earnings of TL620 billion. The company continues to invest in the future. The investment program for 1991 consists of 28 projects with a total value of TL70 billion.

G.J.

Fertile grounds: new irrigation and hydroelectric dams transform Türkiye into a breadbasket for the region.

Ample Harvest, New Projects Add Bread to the Basket

From the orchards and cotton fields of the Aegean to the rolling wheat fields of central Anatolia, Türkiye's fertile soils produce an agricultural abundance that has made the country one of the few in the world that is self-sufficient in food. The sector grew by 11.5 percent in 1990.

Although the manufacturing industry's contribution to Türkiye's gross domestic product has grown rapidly over the past decade or so, the country's primary activity is still agriculture.

Out of a total registered work force of about 18 million, half are employed in agriculture; by comparison, 2.5 million are employed in the manufacturing industry, mining and energy production, and 6.5 million in services.

GAP will double crop production

Agriculture recovered from a drought in 1989 to grow, admittedly from a low base, by 11.5 percent in 1990; the manufacturing industry grew by 9.1 percent over the same period.

Foreign experts say that good rains this year mean that wheat yields will be higher than average, at about 16 million metric tons, compared with a normal yield of about 15 million metric tons last year, and the drought-hit, low yield of 12.5 million metric tons in 1989. Barley output will probably increase to about 6.5 million metric tons, as will that of other grains and pulses.

The state-owned Soil Products Office could even be financially stretched to buy all the crops, as it is mandated to do.

On the other hand, the surplus should easily fill a recent agreement for $218-million worth of wheat, wheat flour, macaroni and barley exports to the Soviet Union, supported by the Turkish Export Credit Bank (Eximbank). The harvest may also succor the hungry population of Iraq to the south.

Heavy precipitation has proved a mixed blessing for other crops like tobacco and sunflowers. Cotton production may be down as well; this is due not to the weather (cotton is mostly irrigated) but to the switch by farmers to other, more lucrative crops in the face of cheaper Asian imports.

In the medium and long term, however, cotton growing should more than recover as the massive southeast Anatolian development project (GAP) comes on stream. In the 1950s, the Cukurova plain around Adana benefited from a World Bank-supported scheme of drainage and irrigation channels, which subsequently became a model for GAP. Farmers in the Cukurova plain may finally change to the originally targeted, and now sufficiently lucrative, cash crops.

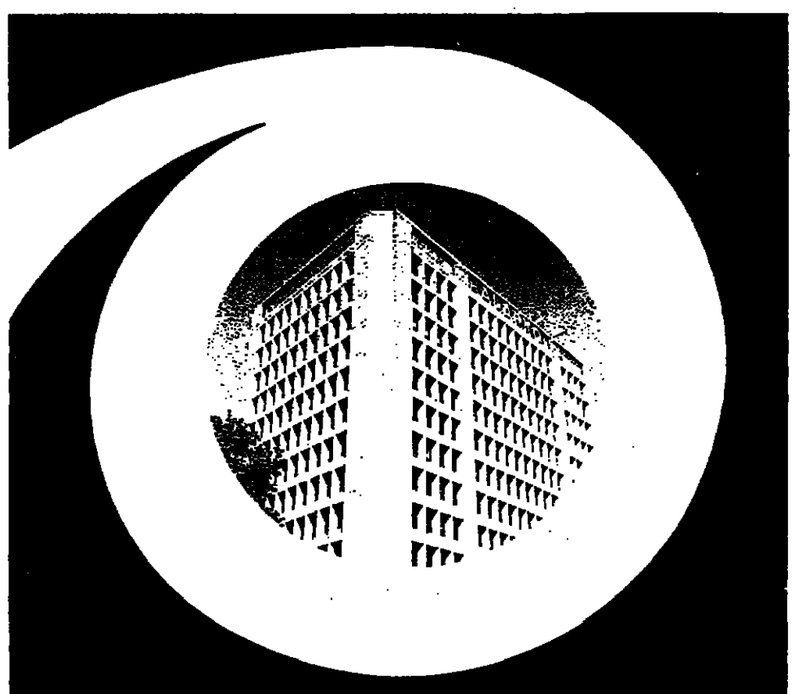
If all goes according to plan, the country's overall agricultural output will be radically boosted by GAP. In its first stage, through 13 distinct subprojects with a total cost of $12 billion, GAP seeks to transform arid and semiarid lands into a breadbasket for the country and its neighbors; the development will more than double Turkish cash and export crop production.

GAP's total surface area, which covers the six provinces of Gaziantep, Diyarbakir, Sanli Urfa, Mardin, Adiyaman and Siirt, is about 13.5 percent of that of France, while its irrigated fields will equal 4.6 percent of all French arable land. The first stage depends on a string of irrigation and hydroelectric dams on the Euphrates and Tigris rivers, including the huge, nearly completed Ataturk dam on the former.

Although the soils in many areas of the southeast are among the most fertile in Turkey, the dry climate restricts harvests to once a year. This pattern will change, however, when water starts to flow through the twin 26.4-kilometer-long tunnels from the Ataturk dam.

Centered on the city of Gaziantep, the development of agriculture-based industry will play an important role in dissuading the migration of the rapidly growing population to the richer but already crowded cities in the west of Türkiye.

J.C.



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A Rapid Turnaround for Denizbank

Less than 10 months after the launching of a rescue operation, Denizbank is reporting healthy profits.

Formed in 1951 as a financial division of the state-owned Turkish Maritime Lines, Denizbank's primary function was to provide loans to the maritime sector. In 1985, it became an autonomous commercial bank. The concentration of all its assets in one sector left the bank dangerously exposed during the worldwide recession in the maritime sector in 1978. By the end of that year, Denizbank was facing insolvency.

Over the next three years, the bank succeeded in salvaging most of its problem assets through restructuring and legal action. It continued to lose money, however, and was unable to keep pace with the rapid modernization of the Turkish banking sector.

The bank expects a profit of TL150 billion in 1991

In 1990, the state launched a rescue program. Yavuz Yevuz, a young executive at the country's second-largest state bank, was installed as general manager; he had several years' experience dealing with problem banks in the United States. A new board of directors and an executive management team were appointed, and the rescue program was initiated on August 15.

It had three main aims: to strengthen the bank's capital base, reduce operating costs and improve the quality and productivity of assets and liabilities.

When the program was introduced, the bank's capital stood at 50 billion Turkish lire ($12.6 million), of which TL30 billion was paid up. In December 1990, the State Planning Council raised the bank's capital to TL150 billion. By the end of March 1991, a total of TL65 billion had been paid up, with another TL55 billion expected by the end of the year.

One of the major impediments facing the bank in the late 1980s was the high ratio of fixed to total assets. Under the rescue program, real estate with a book value of TL255 billion was converted into income-earning assets, and the ratio of fixed to total assets reduced from 21 percent to less than 1.3 percent.

To reduce operating costs, Denizbank closed seven unprofitable branches. The remaining 44 are in the process of renovation and modernization. By the end of June 1991, 85 percent of the bank's transactions will be fully automated.

The reform program laid great emphasis on the quality of personnel. Technical staff were recruited from the private sector, and there was considerable turnover among senior management. Denizbank's staff of 1,100 employees was reduced by 10 percent, and the bank introduced extensive training programs for those who remained.

Prior to the rescue program, the bank offered a full range of banking services, but these were poorly publicized and underused. Since August 1990, Denizbank has shifted the main thrust of its operations from catering to the needs of one sector to becoming a profit-driven commercial bank.

Although it has maintained its traditional links with the maritime sector, Denizbank has reduced exposure by broadening its client base through nonmaritime commercial loans and consumer lending. By the end of March 1991, maritime or maritime-related businesses represented only 30 percent of the bank's loan portfolio (16 percent of its total assets). The aim is to further reduce this to a maximum of 25 percent.

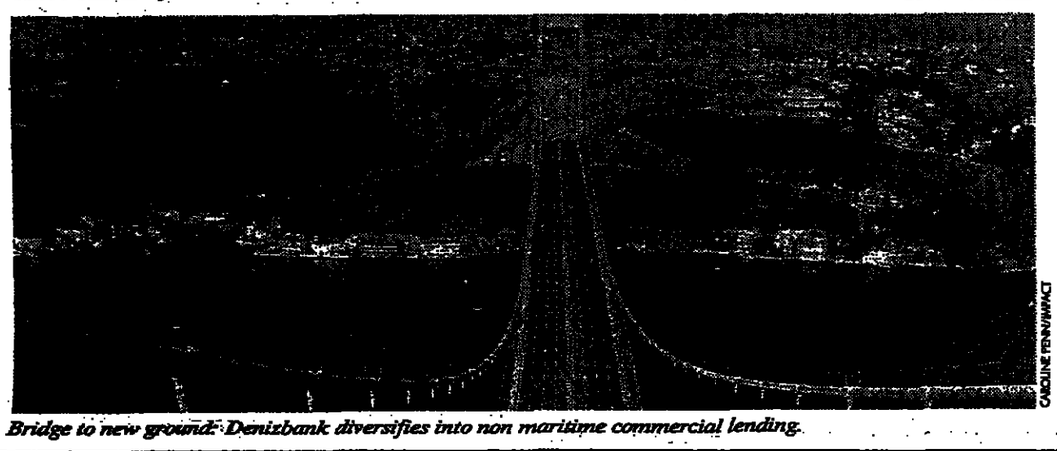
Denizbank sees its future role as that of a corporate bank dealing primarily with medium-sized and large corporations. It is also extending its consumer services, with particular emphasis on services to higher-income groups.

The policy changes have produced a turnaround in the bank's fortunes. Although the launching of the rescue program coincided with the outbreak of the Gulf crisis, a projected loss of TL170 billion for 1990 was trimmed to less than TL30 billion by the end of the year.

Despite the high interest rates that have characterized the Turkish banking sector since the beginning of this year, Denizbank has continued to gain ground. By February, the bank was operating at a profit. It closed the first quarter of 1991 with a banking profit of TL9 billion, and it is predicting a profit of TL150 billion for the year.

As it enters a new era, Denizbank is changing its name. Studies are under way to establish a new corporate identity. The results are expected to be announced in the autumn, when Denizbank will leave the past behind physically as well as metaphorically. In September, a year after the implementation of the rescue program, the bank will leave its headquarters on the seafront of the Golden Horn and move to new premises in Balmumcu in the heart of Istanbul's financial district.

Gareth Jenkins



Bridge to new ground: Denizbank diversifies into non maritime commercial lending.

CAROLINE PENN/IMPACT

An ore carrier and a cruise ship at the Fetiye Harbor in southwest Türkiye.

CAROLINE PENN/IMPACT

Iron and Steel, Public and Private

Iron and steelmaking have been at the heart of Türkiye's public sector ever since the republic's founder, Mustafa Kemal Ataturk, decreed that, in the absence of private-sector capital, core state industries should be established.

The first large-scale integrated plant at Karabuk was commissioned in 1939 with a capacity of 150,000 metric tons a year. Today, Karabuk, still going strong, is expanding its present liquid steel capacity of 750,000 metric tons a year up to 850,000 to 900,000 metric tons a year, with feasibility studies already completed for a continuous casting machine and ladle furnace. The Turkish iron and steel industry has made great progress during the last few years, in terms of both quality and capacity, and the state plants now grouped under the Turkish Iron and Steel Works (TDCI) are partnered by a large private sector in supplying both domestic and export markets.

Total liquid steel production in 1990 was around 9.5 million metric tons, targeted to rise by the end of 1994 to around 12 million metric tons, which represents an average annual increase of 7 percent.

Apart from Karabuk, the other state steelworks at Iskenderun and the quasi-state Eregli Iron and Steelworks (Erdemir) on the Black Sea have also forged ahead with expansion programs. Erdemir is awarding major contracts for its $1.5-billion capacity improvement and expansion (CIM) program.

At Iskenderun, built in 1975 to meet increasing domestic and external demand for rolled products, the capacity has been increased from the original 1.6 million to 2.2 million metric tons a year of crude steel, and 2.02 million metric tons a year of products from its rolling capacity.

Plans for Karabuk, according to TCDI's recently finished master plan, envisage an expansion in liquid metal capacity to 1.28 million metric tons a year, of which the liquid steel capacity will be 1.1 million metric tons a year. This includes the installation of two 100-ton converters, one continuous billet caster with a capacity of 450,000 metric tons a year and one continuous bloom caster with a capacity of 600,000 tons a year.

In view of the huge investment cost and lengthy construction period of four years, however, an alternative might be to replace an open hearth furnace with a more modern type. This would raise Karabuk's capacity by 600,000 metric tons to 1.148 million metric tons.

"It is quite essential for Türkiye for the healthy growth of this sector in the future to observe and study developments in the world in new and up-to-date technologies," says Dr. C. Sencer Imer, chairman of TDCI's board of directors and general manager. "We need to find solutions to the problems of determining optimum capacity and ensuring productivity and energy savings as well as high quality and competitive cost."

Most ore requirements are imported, while the private sector mainly uses electric arc furnaces to melt down scrap. But Türkiye has its own considerable visible reserves of around 100 million metric tons in mines operated by TDCI at Divrigi, where the ore, with its high iron content and low sulfur ratio, ranks among the best in the world. The ore was further enriched and output expanded by the commissioning in 1985 and 1986, respectively, of concentration and pellet production facilities.

Dr. Sencer Imer, chairman of the board of directors and general manager, Turkish Iron and Steel Works.

Total iron and steel exports in 1990 were valued at $1.518 billion out of total production worth $4.5 billion. The TDCI's share of export sales was $218 million. More than iron and steel will be exported this year if plans by the government's privatization agency, the Public Participation Administration (PPA), to float Erdemir shares on international stock exchanges come to fruition.

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Discounts, Luggage Trade And New Trends in Travel

Tourism operators are tightening their belts, aware that they may have to wait until the 1992 season to recoup Gulf crisis losses. Domestic tourists have provided some consolation, however, and Türkiye has been discovered by the East Europeans and Soviets.

"Tourism has picked up. What's lost is lost," says Omur Caglar, secretary-general of the Union of Turkish Travel Agents (TURSAB) and managing director of TanTur, the country's leading travel agency. "If we make 60 percent of last year's earnings, we'll be lucky." In 1990, the share of the world tourism market held by Türkiye's still youthful industry rose to 1.4 percent, from 1.1 percent in 1989.

According to Mr. Caglar, the industry has lost about four months, because Turkish tourism is now a year-round industry and no longer seasonal. He points out, however, that winter is less remunerative than summer.

"We don't blame any tourists," says Mr. Caglar. "They've been waiting a year for their holiday, and if they have just the smallest doubt, they change their destination and go to another part of the world." Japanese travelers are particularly cautious.

After August last year, tourism dropped 20 percent from the previous year's level. Reservations practically dried up during the Gulf conflict this year.

The problem lies mainly with bookings by individual tourists; these are highly uncertain and almost came to a halt during the conflict. Tour operators had made all the block bookings they thought were sellable before the Gulf conflict. In the first two months of this year, the number of tourists from Germany fell by 57.1 percent compared with January-February 1990.

German tourists are spending their holidays closer to home this year, in the newly popular North Sea resorts in the Netherlands and Denmark. "The Dutch seafront is just next door," says Mr. Caglar. "They can go without using planes — because the Gulf crisis psychologically has deterred many people from flying."

The decline in the number of German tourists is not due to rising costs or a shortage of airline seats. The Deutsche mark in Türkiye still possesses 1.3 times its domestic purchasing power, and the impact of a strike by pilots and other employees of state flag carrier Turk Hava Yollari (THY-Turkish Airlines) in the spring has been felt internally rather than externally, since most tour operators use charters, and there was plenty of space for individual travelers on other airlines.

The decrease is probably an aberration due to the crisis. In the long term, the number of German tourists is likely to increase, with an additional 16 million people now able to travel freely thanks to reunification.

British tourists, burdened by high mortgage rates, chose cheaper flights to places like Spain and Portugal in 1990. Florida was another popular destination; last year, U.S. aviation authorities opened up Florida airports to charter companies. The number of British tourists coming to Türkiye was also affected by the collapse of the British holiday conglomerate ILG, which had around 20,000 tourists booked for Türkiye.

There are still strong hopes that French, Spanish and Italian tourists will arrive in large numbers, as their holidays traditionally come in August, later in the year than those of the Americans, British and Germans. A mushrooming phenomenon could mean that the number of tourists this year might reach more than 60 percent of last year's level.

Türkiye has been discovered by the East Europeans and Soviets. They are flocking to Türkiye, according to statistics for the first two months of the year. In January and February, their numbers increased to around 300,000, a 10.1-percent increase over the same period in 1990.

Many finance their travels with what the Turks call luggage trade; they arrive in Istanbul burdened with suitcases full of cheap East European goods, ranging from squashy rubber toys to sunglasses. The center for their bartering is the sidewalk around Beyazit Mosque. Domestic tourism has made up for some of the lost hotel and *pansiyon* bookings as singly affluent middle-class Turks find they can afford the tariffs for basic accommodation and half-board normally included in a package. Over the spring Bayram at the end of the Muslim fast of Ramadan, many of the resorts were booked solid by Turks themselves.

"It's ironic," says an official. "For the last five years, we've been trying to encourage domestic tourism, and it had to come to this. Now there has to be a big chance for it."

There is no doubt that the industry must consolidate. Even before the crisis, it was overdeveloped. The country has around one million beds, 200,000 licensed by the Tourism Ministry and the remainder largely by municipalities, far outstripping the needs of the five million or so visitors in 1990. Industry organizations in a recent report have called on the government to come up with a comprehensive master plan to prevent further damage to the environment from uncontrolled development.

C.W. FRINO/SUSAN GROOS AGENCY

The Hotel Meridien: no shortage of rooms.

It will be an especially difficult year for five-star establishments. Down on the southern Mediterranean coast in and around Antalya, many are forced to offer huge discounts to maintain a semblance of occupancy.

Occupancy at the Sheraton and Hilton in Istanbul fell to around 30 percent at the beginning of April; a year ago in the spring, rooms could not be had on short-term notice. Previously, occupancy at both hotels had never fallen below around 60 percent, even in the slowest winter periods.

A falling away of business tourism will also hit the upper end of the market. Because of the Gulf crisis, many incentive and conference bookings were canceled. IBM Switzerland, for example, moved to Bordeaux in France instead.

"In general, this is a survival year for all the tourism groups," says Mr. Caglar. "And not only in Türkiye, but worldwide." Turkish tour operators have had payment difficulties, even with the large U.S. tourist groups. In Türkiye, the tour companies most likely to survive will be those that did not burden themselves with debt in the rush to expand in the second half of the 1980s.

The government has stepped in with assistance by waiving loan repayment to the Turkish Development Bank — the main domestic source of credit for the tourism industry — for a year, and by giving discounts on energy, such as a 50-percent discount on aviation fuel.

President Sees Enhanced Global Role for Nation

Continued from Page 15

reconstruction in Iraq, quite a lot of business will open up there for Turkish traders and contractors.

Would trade with Iraq be hindered by resentment about Türkiye's stance during the crisis? "I don't think so," he says, "because the Iraqis know who made the mistake."

If the United Nations grants Baghdad permission to resume oil exports, the first outlet to come back into commission will be the twin pipelines crossing Turkish territory, with a combined export capacity of 1.5 million barrels a day. "They have been kept up very well," says the president. "There is no problem."

Mr. Ozal went to the United States in early spring for lengthy talks with U.S. President George Bush, which prompted some discussion in the Turkish press of a possible bilateral free-trade agreement. One definite result of the meeting was a 100-percent increase of U.S. quotas on Turkish textile imports.

"I think we are a latecomer to the U.S. market," says Mr. Ozal. Türkiye only awoke to the possibilities of this market in the mid-1980s, but the outlook is bright, particularly with the quota increase and the strengthening of the U.S. dollar, which has made Turkish exports more competitive. "I foresee that there will be quite an increase in Turkish exports to the United States in the coming months," says the president.

Riding on Türkiye's enhanced international profile after the Gulf crisis, Mr. Ozal went to the Soviet Union for a meeting with Soviet President Mikhail Gorbachev. Trade with the Soviet Union has grown steadily in the wake of an exchange agreement for Turkish imports of Soviet natural gas; recently, however, the trade balance has swung in the Soviet Union's favor.

"I foresee that in the year 2000, or maybe sooner, the Soviet Union will be a very important market," says Mr. Ozal. "But the solution to its economic problems is quite slow." He believes that as yet not enough power has been transferred to individual Soviet republics.

Türkiye would like to have good relations with the Soviet Union's Turkic republics, such as Azerbaijan, but larger republics like the Ukraine and the Russian federation probably provide greater economic scope, says Mr. Ozal. At the same time, neither Georgia nor Armenia should be forgotten.

Relations with other Turkic republics like Kazakstan, Uzbekistan and Turkmenistan should not be ruled out either, but the president sees more possibilities in the Black Sea littoral States, where Turkey has been pressing for a Black Sea Economic Prosperity Zone. This, Mr. Ozal stresses, would complement, and not compete with, the EC.

Türkiye shouldered a large responsibility as a frontline state during the Gulf crisis and suffered economic problems as a result, says the president. It remains to be seen whether compensation will be sufficient.

He is confident, however, that tourism — which of all sectors has perhaps been the hardest-hit — will start to recover in the summer. Earnings might return to the level of $3.2 billion reached last year, or maybe a little less — it would not make much difference, says the president.

Jim Bodgener

Locked Horns and Honor in the Battle of the Bulls

In late June last year, 52 bulls lumbered fretfully on the Kafkasor *yayla*, or Alpine pasture, high above the town of Artvin in northeast Türkiye. They were black, fawn, dun, rust, piebald, lowing gently in an unfamiliar place. Cajoled and soothed by their owners, their mettle would be tested in the 10th annual Artvin bullfighting festival the next day.

Nestled against the border of the Soviet republic of Georgia, Artvin is the center of this northeast corner of Türkiye. A lush, green world of mountain streams and rivers rushing through steep, forested valleys and gorges below perennial snows, it is the Switzerland of Türkiye — and as yet little discovered by the average tourist.

Bulls are pitted against bulls

Artvin's bullfighting festival opened with a provincial wrestling contest; kebab and *cay* (tea) stalls were doing a thriving trade. Trucks, laagered on the tracks terracing the slopes, had been converted into viewing boxes and sleeping quarters with tarpaulins, carpets and pillows.

Troubadours wandered around with *zurna* (pipe) and *davul* (tympany); their repetitive strains underlay the festival. Every now and then, the constant skirling inspired an impromptu, Morris-like dancing called *horon*.

A treat on the festival's entertainment bill was a troupe of Soviet dancers from the other side of the border. The resurgent nationalism fostered by *glasnost* has created ethnic bridges across the region, and the dancers' skipping boots seemed a symbolic arching of those bridges.

Wearing gold-braided scarlet, maroon and black costumes, the dancers whirled and pranced in a choreography instantly familiar to their ethnic cousins, although the dance definitely was not Turkish.

In Artvin, as in Switzerland, bulls are pitted against bulls rather than men. They are classed in fighting categories by weight, haunches, head and chest. The bulls come into their fighting prime at about six years of age, or midway through their 12-year average life span.

The bulls were transported in trucks from all over the northeast and the Black Sea coast, with teams of supporters who urged them on. The top prize for the heavyweights was not inconsiderable: 2.5 million Turkish lire ($610). Spectators came from all over Türkiye, and their number swelled to about 30,000 on the day of the festival, when sightseeing buses and trucks carried spectators up the 10 kilometers (16 miles) of hair-raising dirt switchbacks from the town.

Whistles and shouts from the crowd accompanied each beast entering the arena. Slipped from the choke, they squared off majestically and ponderously circled each other, flanks rippling and dewlaps swaying. Then, in a sudden flurry, they engaged in battle: horns dropped and locked, heads twisting and parrying, bone and gristle dueling in the dust, hind legs splayed and straining for power. Finally, one bull, dozed into submission, turned tail and ended up abjectly bellowing in shame and ignominy; the other stood ramrod stiff, snorting in triumph.

More besides pride is often lost, since the vanquished are frequently sold for slaughter immediately afterward by disgusted owners. "My heart died within me when my bull fled," said one.

The women, the older ones wearing head scarves, mostly kept to the hillside. In Türkiye, a bullfighting festival is a male occasion.

There was a sizable element of human danger. Drubbed bulls harried by victors invariably broke away down the slope on the open side of the arena, scattering onlookers in their path. On one occasion, three bulls ran amok when one abandoned his match in a preference for tag melees.

The heavyweight champion was called Sari (Yellow), a beast of 320 kilograms (704 pounds). The owner, Fikret Beyaz from Yusufeli, had tears in his eyes as he was hoisted onto willing shoulders and paraded jubilantly around the arena, a rich and happy man. What would he do with the money? Perhaps buy a car or a tractor, perhaps another bull.

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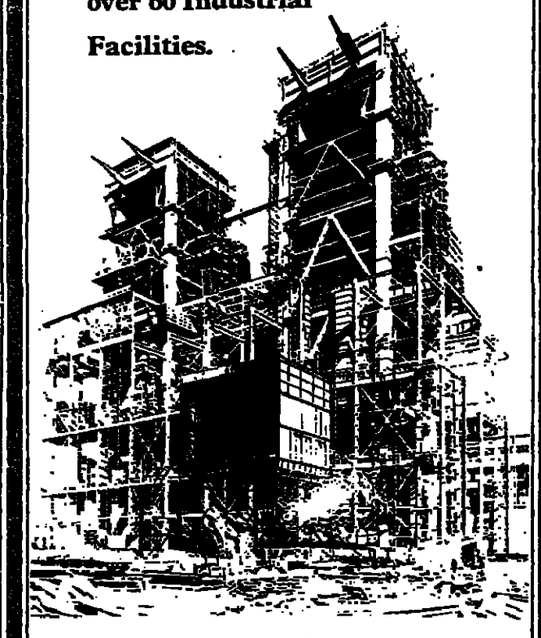

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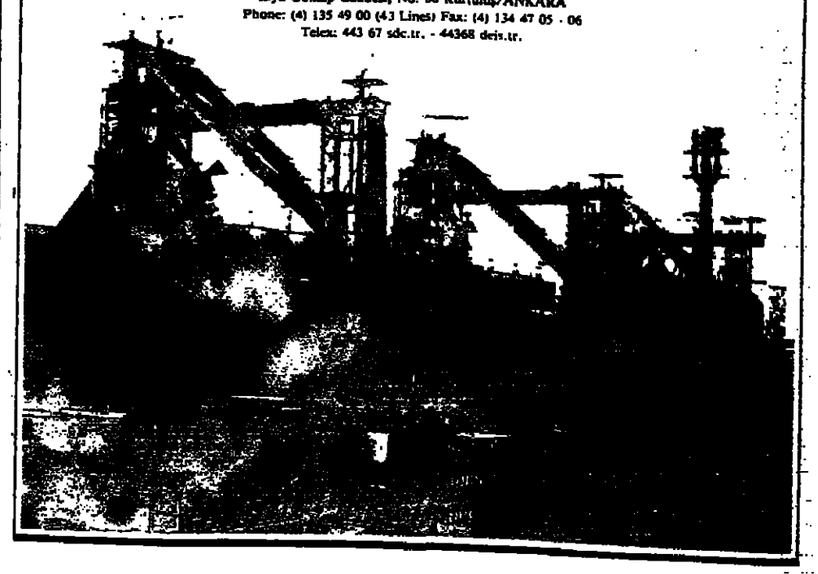
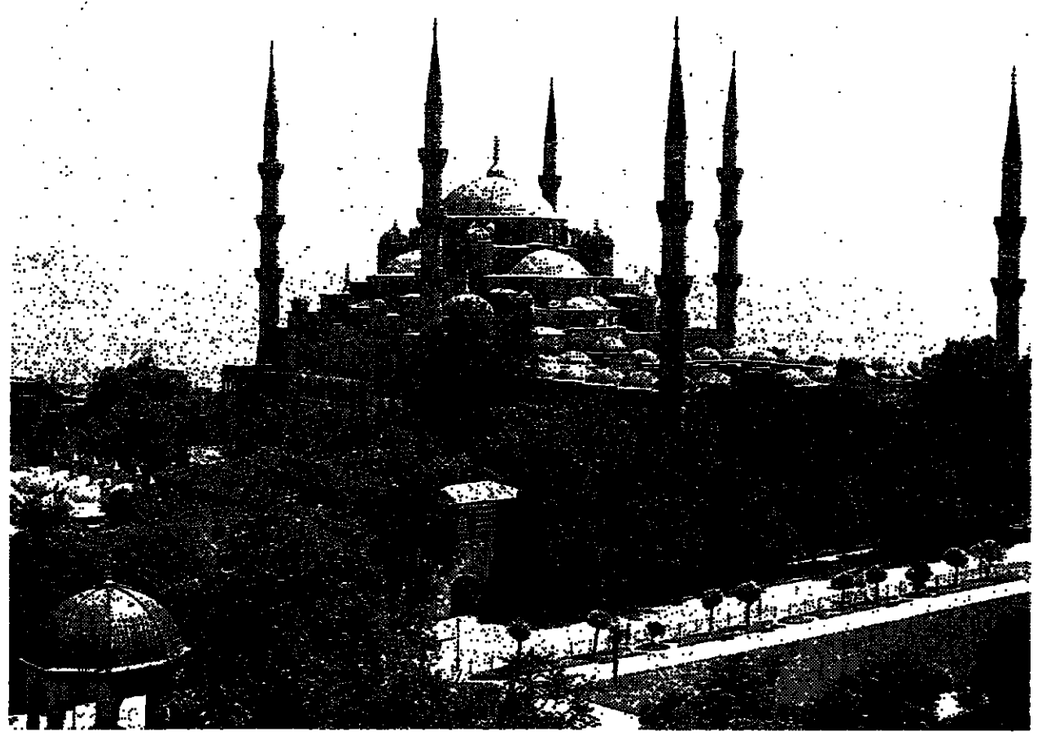
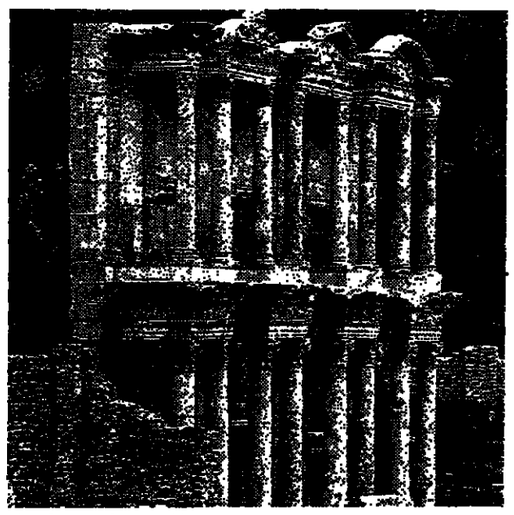


The Ankara citadel.

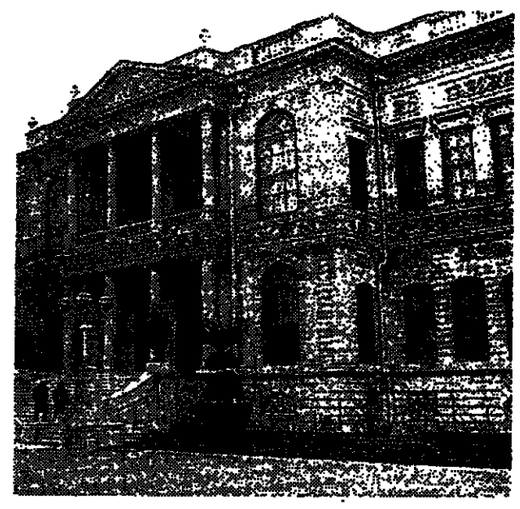


The Blue Mosque (Sultan Ahmet) in Istanbul.

Camel races.



Ancient ruins at Ephesus.



The entrance to Dolmabahce Palace.

Of Noah's Ark and Magical Landscapes

Anatolia has been a cradle of civilizations for aeons, and the ruins of antiquity scattered across the Turkish landscape have weathered worse extremes than the Gulf crisis. Like the sunny beaches of the Aegean and Mediterranean, they will continue to attract foreign visitors when the crisis is but a distant memory.

Most of Türkiye's tourist spots in the west are far from the epicenter of the Gulf crisis and its sad aftermath, the Kurdish refugee crisis in northern Iraq. For those intrepid or knowledgeable enough to ignore the scaremongers, the reward this year will be less crowded and frenetic resorts, making for more relaxing and choice-filled holidays.

Türkiye has much to offer. Most visitors, whether on one- to two-week package tours or on individual excursions, pay a visit to the ancient but vibrant metropolis of Istanbul. The city has been a center of culture and civilized pleasures since the Emperor Constantine founded it as the capital of the 1,000-year-old Byzantine empire in 326 A.D.

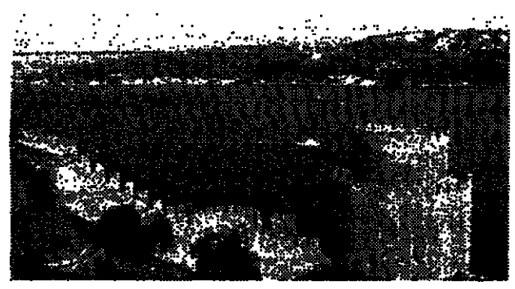
Echoes of old Constantinople's glories resound in the vast basilica of Hagia Sophia; its minarets, the complementary grace of Sultan Ahmet across the way, and the nearby Topkapi palace evoke the panoply of the Ottoman Empire after the conquest of the city in 1453. On every side — from the Galata tower overlooking the Golden Horn through the hubbub of the Grand Covered Bazaar to the gleaming new office buildings housing banks and corporations — are reminders of the multitudinous threads of commerce and peoples woven into the city's complex and fascinating past.

At night, headlamps trace the majestic arches of the two suspension bridges over the Bosporus, eloquent testimonials to the degree to which Türkiye has opened out to the world over the past two decades as a pivotal link between West and East. A memorable evening may be spent in a seafood restaurant on the Bosporus, watching ships glide by almost within reach.

Ruins of temples, theaters and streets dating from pre-Hellenic times are scattered across the Gallipoli peninsula at the entrance to the Dardanelles, where Anzac pilgrims (Australians and New Zealanders) come every year to commemorate the horrific First World War battle that helped forge their national identities. Ruins line the way along the Aegean coast from Troy to Ephesus, while modern beach resorts, such as those of Kusadasi, Bodrum, Marmaris and Fethiye, proliferate under azure skies.

In the glittering waters of the Aegean, visitors may sail by chartered yacht around promontories into the many isolated, limpid inlets and coves that bejewel the shore. They may also take a languid voyage on the famed Blue Cruise around these coasts.

Ringed by the looming Taurus mountains, the turquoise shores of the Gulf of Antalya on the Mediterranean offer more



beaches and a plethora of historical sites. The *pansiyons*, restaurants and bars in the resort of Side are nestled among the ruins of the temple and amphitheater. Perched on the cliffs above the restored harbor at Antalya is an intriguing warren of timbered houses in the old town. Antalya's environs boast several modern five-star hotels, including the top-ranking Sheraton Voyager; they are fully equipped to international standards and cater to the leisure tastes of foreign visitors.

Moving inland, travelers will find many reasons to linger in western Anatolia. In the northwest, under the ski slopes of Ulu Dag, the Mount Olympus of the ancients, is green Bursa; this was the Ottoman capital before Istanbul and is long-famed as a silk-production and trading center on the Silk Road. Farther south are the terraced, bleached-limestone pools, stalactites and potholes of the hot springs at Pamukkale. In the country's heartland is the fairy-tale world of Cappadocia, with its early medieval rock churches and troglodyte dwellings hewn into fantastic chimneys in the valley sides; the latter have been sculpted by centuries of erosion from the soft, volcanic tufa thrown out in the convulsions of Mount Erciyes millions of years ago.

Around the capital, Ankara, are further traces of civilizations from the dawn of history: the Hittite remains at Bogazkale to the north and the tomb of the fabled King Midas at Gordium, erstwhile home of the Gordian knot, to the south.

Adventurous travelers may venture far beyond the realm of package tours to the verdant Black Sea coast in the northeast; to Trabzon, the Trebizond of yore; to the emerald tea plantations around Rize, where much of the *cay* (tea) consumed in *cay evler* (tea houses) across the country is grown; and across the newly opened border crossing at Sarp into Soviet Georgia. The towering cone of Mount Ararat, reputedly the final berth of Noah's Ark, beckons mountaineers and trekkers to the east.

In sum, Türkiye is a welcoming land waiting to be explored. It is small wonder that many entranced visitors come back time and time again.

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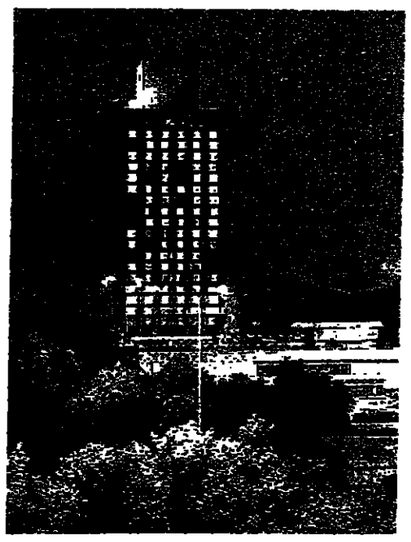

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SPORTS

That Mighty Red Star Is Growing Dim

By Christine Brennan
Washington Post Service

MOSCOW — The vast athletic machine of the Soviet Union is in trouble. Where there was stability, there is chaos. Where there was money, there are open palms. Where there was success, there is impending failure. Where there was pride, there is helplessness. Where there was arrogance, there is resignation.

The most dominant and feared power in the history of modern international sports is teetering under the pressures of historic reform and change. Not only is money scarce, so is food, equipment and benefactors. The Soviet Olympic Committee's president, Vitali Smirnov, is talking like a capitalist: trying to find sponsors, streamlining, discussing financial incentives.

Some of the nation's very best athletes and coaches are fleeing to the West to find financial stability, a potentially devastating "Brawn Drain." The Baltic republics, including basketball-rich Lithuania, are talking about seceding from the Soviet Olympic Committee and forming their own teams. Some sports officials exhibit an incredible naivete when it comes to dealing with the business of sports; others seem to retain the arrogance of bygone days.

And nearly every official or athlete wonders what will become of the children — and, then, what will happen to the future of the Soviet Olympic movement.

The Soviet Olympic Machine
The Perils of Change
First of a series

To many outsiders, the Soviet sports machine inspires awe. These are the grim superhumans who win almost everything at the Olympics.

Since it joined the Olympic movement in 1952, the Soviet Union has won 1,212 medals, more than any other country. Only the United States has won more medals overall, 1,904, but Americans have been competing since the modern Olympics began in 1896.

The Soviets probably will win their usual complement at the 1992 Winter Olympics in Albertville, France, and in the 1992 Summer Games in Barcelona. Few within or outside the Soviet Union dispute that.

"The athletes are already in place," said Yuri Titov, a winner of nine Olympic medals in gymnastics who has been a Soviet sports bureaucrat for two decades and now is president of the International Gymnastics Federation. "They already are traveling, receiving the best coaching, working in the training camps."

But most of these same officials, coaches and athletes agree that, by the 1996 Games in Atlanta, when today's children have become tomorrow's Olympians, the Soviets will falter.

Somehow, their sports machine lurches ahead, moving almost exclusively on momentum. But they are in trouble, and, surprisingly, they freely admit it.

"We used to say to our young athletes, 'A victory over the United States proves our system is better,'" Smirnov said. "That is absolutely, entirely the wrong impression. It was a way in which all training measures could be explained. It was terrible, absolutely terrible."

"This is anarchy," said Titov. "If our economic situation stays the way it is, our sports will go down, I am afraid. We were always told everything was wonderful in the Soviet Union. Now we are seeing this is not true."

"Certainly, there will be a period when we go down," Smirnov said. "Life is forcing this on us. We eventually will go to a better system for sports in our country. We are being forced to think and find a solution. But this is a difficult time for us."

THE REASONS are many, but they begin with this: The nation's vast sports apparatus has been unable to insulate itself from the disarray and despair that mark all facets of life in the Soviet Union these days.

"Everything in sports reflects those matters the country is undergoing in all areas: economic, political and social," said Nikolai Lents, secretary general of the Soviet Olympic Committee. "You can't be in the Soviet Union and live on the moon."

Things are so bad the Olympic committee doesn't have the money to pay for the publication of its own glossy magazine. It used to pay hard currency to have a Hungarian company print it. Now, hard currency is in such short supply that the most recent issue came out last year, and Lents said there are no plans for another.

Inside the drab Gossport building, home of the government sports ministry, it always looks like nighttime. Asked why the lights aren't on, an official smiles, shrugs and says he hadn't noticed.

More illuminating, though, are the tales of the vaunted sports schools and clubs — the backbone of the nation's athletic system — undergoing difficult financial times, losing coaches, closing their doors.

At Krylatskoe, a trade union sports school in Moscow, the gymnastics school recently was closed. A billiards hall opened in its place. The school was supported by the dues of union members. As other unions have done around the country, Krylatskoe officials decided their membership had more pressing financial concerns. Where the children from the gymnastics school will go is anyone's guess.

Another trade union, Bryansk, cut the financing of 25 sports schools around the nation. At the Moscow Red Army gymnastics club, four coaches left to find better-paying jobs. And in the city of Liebsk, the sports club was in such bad financial shape it was raising tulips, gladiolas, roses and vegetables to sell in an attempt to fund a recreational park. The park will include pinball machines — again, an uncharacteristic Soviet source of revenue.

"Pretty soon we will need to plant cucumbers on the roof and mushrooms in the basement," said Vladimir Zaglada, president of the Dynamo gymnastics club, laughing wanly. Dynamo, a famous club sponsored by the militia and reportedly linked to the KGB, cut its funding for sports, leaving Zaglada to search for new sources of revenue. Like many other clubs, Moscow Dynamo now charges the parents of marginal athletes for sports lessons.

"We get 150,000 rubles a year," or $5,555, based on the new exchange rate of 27 rubles to the dollar, "from the government sports committee," Zaglada said. "In one year, it costs 300,000 rubles to rent the gym. Where am I going to get the other 150,000 rubles?"

The root of the financial problems is the crisis in the Soviet economy. The ruble was recently devalued from six to 27 to the U.S. dollar, although various other rates of exchange can be found and any comparison to the dollar is inexact. Nevertheless, when dealing with the outside world, the Soviets are losing buying power. In sports, where the market truly is global, this hits Soviet sports especially hard.

"This is anarchy. If our economic situation stays the way it is, our sports will go down, I am afraid. We were always told everything was wonderful in the Soviet Union. Now we are seeing this is not true."
Yuri Titov, president of the International Gymnastics Federation.

Against this financial backdrop, Gossport has been reorganizing. The Olympic committee, once a part of the government sports operation, has broken away, and soon will move from the stone Gossport building near the 1980 Olympic complex to the former palace of a Russian count.

THE PHYSICAL move is accompanied by fiscal change. The sports ministry still funds Olympic sports through the money it receives as a branch of the government, sports lotteries and sponsorships, but there is concern the lottery money is dwindling. What's more, what is left of it might be siphoned off for more basic needs, like education.

Meanwhile, individual sports federations have been encouraged to begin supporting themselves, as they do in the United States. Soccer and track and field already have, and many of the others would like to follow. It's a mad dash; even those wedded to Gossport are trying to find ways to make money on their own.

Igor Ter-Ovanesian, president of the prestigious track and field federation, must give 7 percent of the hard currency his sport receives from the West to Gossport. He and his athletes can keep the rest. It used to be that top athletes had to give back to their federation 80 percent of what they made in the West. This became such a source of consternation that the better-traveled athletes, especially tennis players, began defying the rules. Now an athlete like pole vaulter Sergei Bubka keeps all but the 10 percent he gives to the track and field federation, Ter-Ovanesian said.

"Maybe the government sheltered us too much before," Ter-Ovanesian said. "We grew used to it. Now the government is saying, 'Come on, you guys. Take care of yourself.'"

With money getting tighter, Smirnov, the Olympic committee president and a member of the International Olympic Committee, is becoming impatient. When the government took care of him and his sports, there were few worries. Now, in this age of creeping capitalism, he wants results.

"We recently sent our rowing team to the world championships in Australia," he said. "It cost us $300,000 and we got one medal. What's the reason for this?"

Top sports officials agree that the only solution is sponsorship — a word they do not even bother to translate into Russian. They just use the English: "sponsor." To this end, they woo American companies and hope that stories about the failings of the Soviet sports system will encourage financial assistance.

These officials travel the world; they are wise to the ways of sports marketing in the 1990s, especially what has happened with television revenues in the United States.

Said Smirnov: "We have one big problem. Our television is government owned and operated. We do not get a single ruble from television."

Sports and Olympic officials are not the only ones aware of the money being made in sports in the West. Well-traveled Soviet athletes and coaches also notice — and are leaving. Bubka, the nation's best-known athlete, said last month he will move to France this year because of the "unstable" conditions in the Soviet Union. He would still compete for his homeland.

A half-dozen water polo players have left for contracts with clubs in Europe; 1988 Olympic gymnastics star Vladimir Artemov is coaching American children in Stroudsburg, Pennsylvania; top rowing coach Igor Grinko is training the U.S. national sculling team on the Occoquan River outside Washington.

"I've had numerous Soviet coaches approach me, asking me for jobs," said Mike Jacki, executive director of the U.S. Gymnastics Federation. "Either their jobs have been eliminated or they have to raise money now, and they don't know how and want out."

The "Brawn Drain" is most noticeable in hockey, where 13 Soviet players have left for the National Hockey League.

"Our only resolution to the problem is to create conditions not equal to, but close to what they are leaving for," said Gossport's first deputy chairman, Leonid Drachevsky.

This doesn't appear possible right now, so the Soviets put their own spin on the situation.

"It helps us for them to learn the American techniques," Drachevsky said.

This is new. For decades, when the Soviets were dominating U.S. athletes, the cry was that the Soviets were the masters of training and secrecy — and Americans were dying to find out how they did it.

There has been more than a gradual warming toward the United States. In a nation of smokers, where hardly anyone jogs, where good food is scarce and expensive and where lines at the only McDonald's are four hours long, what the Soviets know of the American model of physical fitness, of building sports from the bottom up, not top down, is admired.

But it's not completely understood. Internal critics lambaste the Soviet Union for not providing nearly enough facilities for the masses — and there is little hope for improvement as the elite sports establishment, the provider for mass sport, falters.

For instance, estimates put the number of swimming pools in this nation of 290 million at 2,500.

"It's ridiculous," said Salnikov, the Olympic gold-medal-winning long-distance swimmer.

Asked about this, the Olympic committee's Lents said, "You can swim not only in a pool, but you can swim in the river."

It is this kind of perspective that has created a top-heavy sports system, one that is in danger of cracking because it lacks a foundation. No one believes it will fall apart; the Soviets care too much and are too proud for that. But it will undergo difficult times.

Said Ter-Ovanesian: "Economically, we can't give you fresh meat or fresh food, but we have a strong coaching program. We know how to train you. That's not everything, but it is something."

NEXT: The sports factory

On the Rise: U.S. Sports

By Richard D. Lyons
New York Times Service

IT WAS fast-food, rock music and blue jeans for the last decade. Now, an enthusiasm for American sports is poised to become the major export from the New World to the Old in the 1990s.

More than 60,000 watched the London Monarchs defeat the Barcelona Dragons on June 9 in Wembley Stadium in the World Bowl, the final game of the World League of American Football's first season. Young, orderly, affluent fans predominated in marked contrast to those British soccer zealots whose violence has marred games at home and abroad.

Through the season, the league drew 500,000 spectators to games in London, Barcelona and Frankfurt. It may soon expand to Italy.

"American football is the right product at the right time here," said Billy Hicks, the Monarchs' general manager.

Last January, the National Football League's Super Bowl drew more than 1 million European viewers, according to viewership numbers from the four European networks that carried the game. In recent weeks during the National Basketball Association playoffs, hundreds of thousands of groggy Europeans awoke at dawn to flick on television sets for live broadcasts from Los Angeles and Chicago.

The right product at the right time for Western Europe.

Basketball's popularity in Spain, Italy and Yugoslavia is driven by its appeal on a recreational as well as professional level; four or five basketball courts are commonplace in many small towns there.

What has grabbed the attention of the sports audience in Europe, according to Warren Breach, an executive with London Weekend Television, is the undisputed flair of American professional competition as well as innovations in broadcasting them.

"Our sports tend to be gray — gray stadiums, gray skies and gray people — while American sports broadcasting looks great: It's bluer, greener, redder and has more of a sense of occasion," he said.

AND EUROPEANS are playing as well as watching American sports: More than 5 million people are believed to be involved in baseball, football and basketball.

That estimate is based on a compilation of numbers provided by national amateur and semipro groups like the Fédération Française de Football Americaine, the Fédération Française de Basket, the British National Gridiron League, the British Baseball Federation, the English Basket Ball Association, the Italian Federation of Baseball and Softball, and the Federacion Española de Baloncesto.

Baseball and softball took root in Europe in World War II when GIs introduced the games in Italy and the Netherlands. The elevation of basketball and baseball to Olympic status also helped them gain recognition and support. In cricket- and soccer-mad England, baseball, once a local joke, is slowly expanding, and 100 amateur and semiprofessional teams play regularly. In addition, 120 teams play American-rules football and 900 local "clubs" play basketball.

Florian Wanninger, an executive of the International Basketball Federation in Munich, said that the caliber of play in Europe is challenging the Americans' supremacy in the game.

Increasingly, local teams are being aided by basketball players from the United States, and Wanninger estimated that "600 Americans are members of professional or semiprofessional teams in Europe, which helps raise the caliber of play."

And as cable television expands in Europe to compete with the more staid nationally owned networks, so too are predictions of an even greater enthusiasm for American sports, particularly among younger fans. Chicago Bulls sweatshirts, Los Angeles Dodgers caps and the like blare out from the Strand in London's West End to the Friedrichstrasse in Berlin to the Via Venetto in Rome.

Where there are fans, commerce is sure to follow. European branches of such American corporations as Coca Cola, IBM and Wilson sporting goods, as well as local companies like Carlsburg and Nestlé, are sponsoring teams and tournaments.

CHESS

By Robert Byrne

ALEKSANDR BELYAVSKY has not shown any great enthusiasm for fighting toward a world title match, but he does not mind winning from those considered to be prime candidates to take on Gary Kasparov in 1993. In the 7th round at the Ninth International Tournament in Linares, Spain, the 37-year-old Belyavsky put away a favorite to challenge Kasparov — 22-year-old Boris Gelfand — with a quick final burst of attacking power. Belyavsky came in third place, behind Vasily Ivanchuk and Kasparov.

It's true, 5 Bf4 does not put direct pressure on the black center as forcefully as 5 Bg5 does, but it avoids the simplification resulting from 5 Bg5 O-O 6 e3 Ne4 7 Be7 Qe7 and it thus virtually forces Black to free his game by 6...c5. This was once a boon for Black, but it entails new problems. For one thing, after 7 dc Bc5, he must be satisfied to defend an isolated pawn position because White can force this with 8 cd ed, even though, objectively, this yields White little.

The greater threat is posed by 8 Qc2, promulgated by Tigran Petrosian to use the rapid development and superior control of space that would result from 8...dc 9 Bc4. Black has no choice but to counter as actively as possible with 8...Nc6 9 a3 Qa5. The standard procedure against this has been 10 Nd2 Be7 11 Nb3 Qb6, but after 12 cd (12 Rd1 can be answered by 12...Na5!) Nd5 13 Na4 Qd8 14 Rd1 Qe8, Jan Przewoznik got adequate counterplay against Nedeljko Kelecevic in Finkenstein last year.

Accordingly, Gelfand chose the most recent, most aggressive attack, 10 O-O-O!?, with which he had defeated Belyavsky in last year's Linares Tournament. In that game Belyavsky had introduced 10...Bd7!?, the tactical point being that 11 cd ed 12 Nd5? Nd5 13 Rd5 is destroyed by 13...Be3!

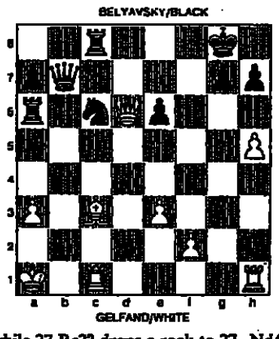
In the previous game, Gelfand attacked with 11 g4 and Belyavsky readied a counterattack on the white king with 11...Rfc8, just as now. But after 12 Kb1 (12 g5 Nh5 13 cd Nf4 14 ef Ba3!? 15 ba Nd4! wins for Black), Belyavsky substituted the aggressive 12...b5!? for his earlier defensive 12...Bf8. Gelfand could not play 13 b4? because 13...Bb4 14 ab Nb4 15 Qb2 bc gives Black three pawns for his sacrificed piece plus a winning mating attack.

Gelfand brought over another piece with 14 Nd2 Qd8 15 Nb3 to repel the attackers, but Belyavsky kept his aggressive hopes alive with 15...Ne4!, the immediate tactical point being that 16 Ne4?! allows 16...Be3! With 16 Nc5 Rc5 17 Be5 Nc3 18 Bc3 Bb5, Gelfand quelled the attack, but Belyavsky had his pawn back, unafraid of 19 b4 because 19...Bf1! 20 bc Bg2 threatens 21...Be4 and thus recovers the exchange.

Gelfand should have anticipated the revival of Belyavsky's attack by massing his forces on the c line beginning with 20 Rc1. Instead, he ambitiously started a pawn storm against the black king with 20 h4.

Perhaps he had looked toward 25 Rc1 to hold Black at bay, not foreseeing the power of Belyavsky's 25...d4! 26 Bd4 Rb8. Now, 27 b4 is crushed by 27...Nb4!, while 27 Rc2? drops a rook to 27...Nd4.

After 29...Ra6, White was lost. After 32...Nd4!, defense by 33 Qb4 (33 Bb4 Qb4 34 Qb4 Rb4 is also useless) is destroyed by 33...Nc2! 34 Rc2 Qh1 35 Kb2 Rb4. Gelfand gave up.



Position after 32 Qd6

QUEEN'S GAMBIT DECLINED

White Gelfand	Black Belyavsky	White Gelfand	Black Belyavsky
1 Nf3	d5	17 Be5	Nc3
2 d4	Nf6	18 Bc3	Bb5
3 c4	e6	19 Bb5	Rb5
4 Nc3	Be7	20 h4	Rc8
5 Bf4	O-O	21 h5	Qd6
6 e3	c5	22 Qa4	Qb8
7 dc	Bc5	23 Bc3	Qb7
8 Qc2	Nc6	24 g5	Nc6
9 a3	Qa5	25 Rc1	d4
10 O-O-O	Bd7	26 Bd4	Rb8
11 g4	Rfc8	27 Bc2	Rb2
12 Kb1	b5	28 Ka1	Rb6
13 cb	Ne7	29 g6	Ra6
14 Nd2	Qd8	30 g7	Kf7
15 Nb3	Ne4	31 Qf4	Kg8
16 Nc5	Rc5	32 Qd6	Nd4
		33 Resigns	

BOOKS

TOUJOURS PROVENCE

By Peter Mayle. Illustrated. 241 pages. $20. Alfred A. Knopf, 201 East 50th Street, New York, N. Y. 10022.

Reviewed by Frank J. Prial

THE Economist, which is never shy about these things, has nominated Peter Mayle for the Légion d'Honneur, for his efforts to repopulate rural France. Mayle is the author of last year's widely acclaimed memoir, "A Year in Provence," and its sequel, just out, "Toujours Provence."

Mayle is a London advertising man who packed it in one day and bolted to the south of France — not to the chic Côte d'Azur, but to the back country north of Aix and east of Avignon.

Nothing much that's new happens in "Toujours Provence," but that's O.K. because nothing much that's new happens in Provence. Whatever happened to Faustin and Henriette? Why, there they are, out among the vines, just where we left them last year. And crafty old Massot? Oh, he'll be along any minute, reeking of garlic, tugging at his mustache and cursing the German tourists.

And the food? Last year, Mayle proved himself a master of high-calorie prose. This time, join him and his rotund friend Régis for lunch at Le Bec Fin. This is no pretrified auberge with a duck pond and a Michelin star; it's a truck stop. Every day at noon the parking lot is jammed with big rigs and the dining room with a hundred hungry drivers demolishing enormous — and obviously delicious — meals. The cost, with wine, *digestif* and tip: about $12.

Food is not Mayle's theme, but it is surely his *idée fixe*. (A photo of some fellow adorns the dust jacket. Allegedly it is the author. But it can't be; no man who enjoys food as Peter Mayle so obviously does could look so trim.)

Mayle is, *au fond*, an essayist, and his new book more a collection of finely crafted set pieces than a narrative. His light-hearted description of the market at Avignon is like a small, carved gem.

Are the rustic French as simple and easygoing as Mayle portrays them? Of course not. God, they say, was embarrassed after he created France — it was too beautiful. So he created the French to even things up. They can be xenophobic, petty and exasperating. But, particularly out in the country, they know who they are and how to be happy with simple things. This is what Mayle celebrates.

Provence has been fortunate in its laureates: Marcel Pagnol, in his books and plays and films, and Frédéric Mistral, in his poetry, captured forever the essence of meridional France. Mayle writes in a different tradition, that of Elliot Paul and A. J. Liebling, two Americans who had glorious lifetime affairs with France and were thoughtful enough to share them with us.

Mayle has no illusions about his adopted home. "We will never be more than permanent visitors in someone else's country," he writes, "but we have been made welcome and happy. There are no regrets, few complaints, many pleasures."

Frank J. Prial is on the staff of The New York Times.

PEANUTS

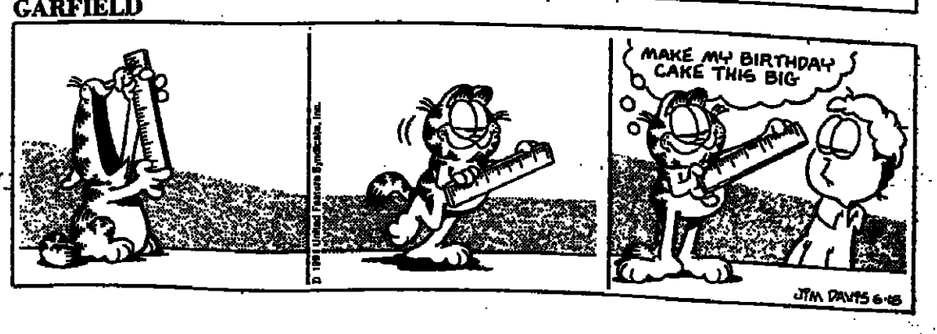
BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD



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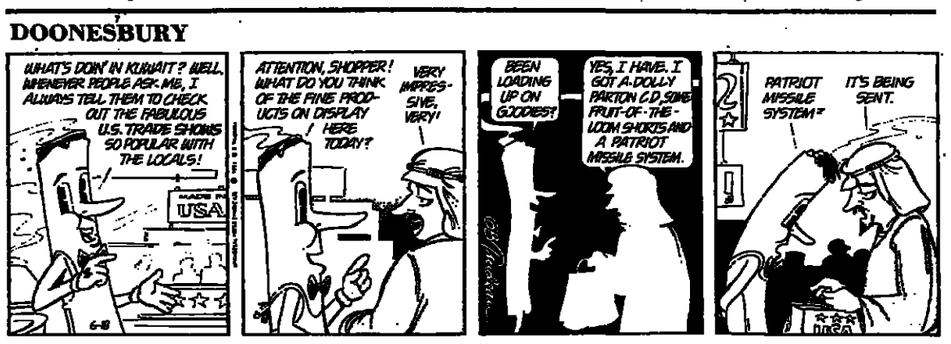
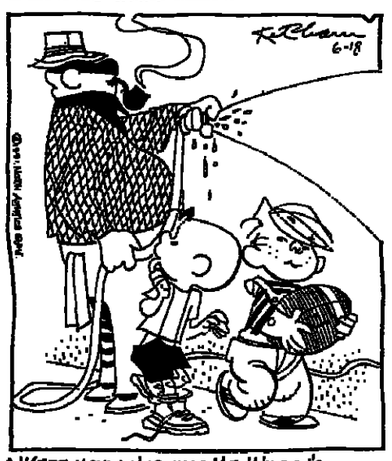


DENNIS THE MENACE



JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

FENTO

HOTOB

TAYRRM

VORPLE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: THE ____ OF THE ____

(Answers tomorrow)

Yesterday's Jumbles: DITTO FLUID COLUMN PONCHO
Answer: In many cities the underworld is sometimes this—FOUND ON TOP

SPORTS

A Perfect June Vaults Twins to AL West Lead

By Murray Chass
New York Times Service

The Minnesota Twins are not exactly nonchalant about their remarkable winning streak, but they aren't dwelling on it either.

"They're in there watching the golf," said Tom Kelly, the Twins' manager, speaking Sunday from

AMERICAN LEAGUE

his office in the visiting team's clubhouse after his torrid team had trimmed the Cleveland Indians, 4-2, in 10 innings.

In a season of streaks, the Twins have made a streak out of the entire month of June. They began theirs on the first day of the month and have won 15 games in a row, eclipsing by a game the season's previous longest streak, run up by the Texas Rangers last month.

The streak has catapulted the Twins from fifth place, 5½ from first, into first place, where they landed Sunday for the first time — at a meaningful time — since Oct. 4, 1987, the last day of their last championship season.

Since, the only time the Twins had led the American League West was on two days in the first week of the 1989 season, when they were tied for the top spot.

The Twins, who had been expected to be one of the division's weaker teams this season, have received superb performances from both their starting pitchers and their relievers during the streak. The starters have compiled a 2.36 earned-run average and the relievers 1.66. Combined, the 15-game average is 2.17.

Remove Mark Guthrie's three starts (10 earned runs in eight and two-thirds innings), and the starters' ERA has been 1.59, the staff's 1.61.

The Twins, who scored two runs against the Indians' hard-luck Greg Swindell in his eight innings of work, won with a two-run burst in the 10th against Shawn Hillegas.

The extra-inning spurt shot the Twins half a game ahead of the Oakland Athletics, who have remained at or a notch below the top despite the onslaught of winning streaks in the division.

"Shake them?" Kelly said when the defending three-time division champions were mentioned. "We're just trying to stay close to them until September."

■ *In other games Sunday, The Associated Press reported:*

Brewers 11, Athletics 7: Greg Vaughn hit a grand slam home run in the bottom of the ninth inning in Milwaukee and drove in six runs against Oakland.

The Brewers loaded the bases on a leadoff single by Jim Gantner and two misplayed bunts, and Vaughn hit the next pitch for his 12th home run this season.

Rangers 4, Yankees 3: Mario Diaz's double in the 15th inning in Arlington, Texas, scored John Russell from first base as the Rangers beat New York for their sixth straight victory. Diaz's hit ended a 4-hour, 24-minute game.

The Rangers' starter, Nolan Ryan had a 3-2 lead before giving up a game-tying homer to Kevin Maas leading off the ninth.

Tigers 7, Mariners 3: Cecil Fielder hit his 14th home run and Detroit disappointed a crowd of 53,287 in Seattle.

The Tigers scored three times in the second, helped by dropped fly balls by center fielder Ken Griffey Jr. and right fielder Jay Buhner.

The big crowd was drawn by free replicas of the jersey worn by Griffey, plus a discount promotion for young fans.

Royals 9, White Sox 4: Terry Shumpert homered during an eight-run second and Kirk Gibson connected for the second straight game as Kansas City won in Chicago.

Orioles 13, Blue Jays 8: Pinch-hitter Joe Orsulak's grand slam in the seventh decided a slugfest in Toronto.

Mexico Race Buoys Patrese And Mansell

The Associated Press

MEXICO CITY — Ricardo Patrese and his teammate, Nigel Mansell, buoyed by victory in Mexico, were looking forward Monday to the French Grand Prix, confident that their Williams Renaults could beat any competitor.

Their cars put in smooth performances on Mexico City's bumpy and grueling track 2,287 meters (7,500 feet) above sea level, and will probably do even better at lower altitude on the Paul Ricard circuit outside Paris on July 7.

Both competitors drove a flawless race Sunday, and although Mansell had some engine heating problems at the start, he was able to nurse his car along and even threaten Patrese for the lead in the last lap before settling for second place.

Patrese, who started from the pole position and took the lead on the 15th lap, said his car "really worked fantastically well — it was 100 percent efficient."

The Formula One defending champion, Ayrton Senna, was a well-beaten third, almost a minute back. After winning the first four races of the season, his McLaren-Honda also fell out of the Canadian Grand Prix two weeks ago.

His crew, he said, is "working hard" trying to get more horsepower out of the once-dominant Honda engine.

Just before the race, his special technical consultant for the past year, Gordon E. Kimball, quit to become technical director of Benetton Ford.

Senna is hardly on the point of panic. He still leads the drivers' standings with 44 points to 20 for the second-place Patrese.

Pittsburgh: Cool Stats, Hot Record

The Associated Press

The statistics offer few hints that the Pittsburgh Pirates are the best team in baseball, but their manager, Jim Leyland, only needs one statistic.

"The stats we care about are the ones you see in the paper that say wins and losses," he said after the Pirates held on to beat the Giants, 4-3, Sunday night in San Francisco, ending a three-game losing streak.

And at 37-22, the Pirates are the best team in baseball. They've

NATIONAL LEAGUE

stayed the best team in baseball, even though they've been outhit in 10 straight games.

"We're getting back to what we did all last season," said Leyland. "We haven't really broken out and pounded the ball, but we get the big hits when we need to, and we bunch them together."

They bunched together four of their six hits in a three-run sixth-inning rally Sunday night, breaking a 1-1 tie on Mitch Webster's triple.

Bob Walk won his fourth game in five starts, allowing three hits in five innings. He is 7-0 in 13 starts against the National League West since losing to Cincinnati on Sept. 2, 1989.

Dodgers 7, Cardinals 2: Gary Carter put the Dodgers ahead, 3-2, with an RBI single in the sixth and Eddie Murray hit a three-run homer in the seventh as Bob Ojeda pitched a four-hitter against visiting St. Louis for his first complete game in two seasons.

Padres 4, Cubs 2: Jerald Clark, replacing the injured Fred McGriff at first base, hit a two-run homer in the sixth inning to lead San Diego past visiting Chicago.

Clark, who has five RBIs in the last two games, hit a 1-1 fastball from Greg Maddux over the left-field wall to give the Padres a 3-2 lead.

Expos 7, Braves 6: Otis Nixon set a modern National League record when he stole six bases in Montreal, but Atlanta lost when Delino DeShields snapped a sixth-inning tie with a two-run double and Ivan Calderon contributed three hits and an RBI.

Nixon tied the major league record set twice by Eddie Collins of the American League's Philadelphia A's in September 1912.

Astros 5, Mets 4: Houston won a series in New York for the first time since May 1984 as Mark Portugal and two relievers held on to beat the Mets. The Astros have won four of seven games against the Mets in the last 10 days, taking two of three in Shea Stadium.

Houston took a 5-3 lead with three runs in the seventh inning off Frank Viola on five hits and a sacrifice fly.

Reds 8, Phillies 6: Jeff Reed's sacrifice fly with one out in the ninth inning snapped a tie and Cincinnati went on to sweep the three-game series in Philadelphia.

Simpson Leads by 1 Stroke After 9 Holes

Eric Miller/Reuters
Stewart, left, and Simpson shook hands after Stewart pared the 18th to send the Open to a playoff.

Compiled by Our Staff From Dispatches

CHASKA, Minnesota — Scott Simpson shot a 1-over-par 37 on the front side Monday and held a one-shot lead over Payne Stewart going into the final nine holes of an 18-hole playoff for the U.S. Open golf championship.

Simpson gained a tie with a birdie on the fifth hole, which Stewart bogeyed, then took the lead with a birdie on No. 7.

Stewart had taken a two-shot lead with pars on the first four holes, while Simpson was bogeying the first two.

Their duel resumed amid breezes that threatened to play tricks with shots at Hazeltine National.

Simpson quickly got into trouble with a second shot from the fairway into a bunker. He blasted out long into the rough 35 feet (10 meters) from the first pin, then two-putted. Stewart chipped his third shot from the rough within four feet of the pin, and tapped in for par.

While Stewart took a routine par on No. 2, Simpson three-putted from 30 feet to go 2-over.

But Stewart hit his second shot on the par-4 No. 5 into the rough and his third into a bunker. He blasted to six feet and holed the putt for bogey.

Simpson laced his second shot to 18 inches of the hole and tapped in for the birdie and the tie. *(UPI, AP)*

■ *Earlier, Ken Denlinger of The Washington Post reported:*

Former Open champion Simpson made bogey on two of the final three holes Sunday, and former PGA champion Stewart missed three very makable birdie putts down the stretch. That and a few sensational shots forced the third U.S. Open playoff in four years as they ended the fourth round as they started it, at 6 under par.

They began with a four-shot lead on the field and ended three shots ahead of Larry Nelson (68) and Fred Couples (70) after par 72s.

Simpson was the more pivotal player. He had a chance to fall far behind on the fourth hole, but wouldn't fold. He had a two-shot lead on the 16th tee, but couldn't hold it.

Stewart missed birdie putts of 5, 10 and 5 feet on holes 15 through

U.S. OPEN

17. But he sank par-savers from 15 and 12 feet on the first and 14th holes. And he was dead-on from four feet on 18 to force the playoff.

For a long time, this Open seemed destined to be remembered for Simpson's 40-foot chip-in.

In fact, all that did was save par on No. 4, avoiding what could have been a double-bogey 5.

Stewart was ahead by one and about 25 feet away with a birdie putt. In the right trap on the 184-yard hole, Simpson watched in mild horror as his ball rolled past the pin and off the green.

Stewart ran his birdie putt about six feet past the hole, then joined the huge gallery in watching Simpson try to get close for a bogey putt.

Simpson lay an 8-iron on the ball. He and spectators directly across the green knew within the final two feet that they were about to watch a stunning par. The ball could not avoid going in.

Simpson took a two-shot lead with a 10-footer for birdie at the 410-yard No. 10 and held it with routine pars through 15. Stewart's best chance to whittle the lead came with that five-footer for birdie on the 590-yard No. 15. It barely hit the lip.

On No. 16, Simpson pulled his tee ball just enough to have almost no shot to the green from the left rough. Instead of playing safe with a pitching wedge, he tried to punch a 7-iron toward the green, hoping the ball would roll on. What happened was a pull into rough as deep as what he'd left, a gouge to 30 feet and two-putt bogey.

Stewart's 9-iron approach from the fairway got to 10 feet. His putt missed the cup by a good four inches going by. When Stewart hit to within five feet at 17, Simpson followed with a shot to the back of the green and a chip-and-putt par. Again, Stewart's birdie putt failed to touch any part of the cup.

At 18, Simpson pulled his tee shot three inches off the fairway and had to lay up with a 9-iron. With another 9-iron, he was pin high but 30 feet from the cup. Stewart was above the hole and 25 feet away. But with six feet of break, he had little chance at the winning birdie. His putt rolled well long, leaving him with that tense four-footer.

Open Playoff: A Chintzy, Anticlimactic Rip-Off

By Thomas Boswell
Washington Post Service

CHASKA, Minnesota — The bullheaded U.S. Golf Association got just what it deserved. For the fourth time in eight years, the U.S. Open will have an anticlimactic, gyp-the-public, bore-everybody-to-tears 18-hole playoff.

Maybe, if there are about 10 more Opens in a row that end in a tie like Sunday's you-take-it-I-don't-want-it affair between Payne Stewart and Scott Simpson, the USGA finally will learn what every other golf tournament on earth already knows: You owe it to the paying public to finish what you start. You don't put on a play and then, at the end, announce to the customers that, if they want to see the last act, they can come back the next night — if they have the time.

Vantage Point

If that doesn't suit 'em, if they have duties or a job, then tough luck.

What the USGA does may not be fraud, but it's a prime example of a rip-off.

"I can't come back tomorrow," said a glum Bill Thompson of Minnetonka, Minnesota, as he trudged to the Hazeltine parking lot after watching Simpson bogey two of the last three holes to squander a second U.S. Open trophy. "I wonder how many people will?"

Well, it's not all that hard to figure. Fuzzy Zoeller and Greg Norman did this needless number in 1984, Curtis Strange and Nick Faldo in 1988. And last year it was Hale Irwin and Mike Donald who did the Monday deed.

In all three cases the crowds were half of capacity or less. In all three cases the playoffs were dramaless duds.

By a wonderful irony, the Irwin-Donald match last June will be remembered not for the first 18 playoff holes — a 74-to-74 snore — but for the sudden-death shootout that Irwin won on the first hole.

Is that a hoot? If sudden death is so tacky, why didn't Irwin and Donald come back Tuesday and get it right by playing 18 more holes?

The Monday playoff is a vestige of the Great Gatsby ages when many golf fans didn't have to call the boss on Monday to get off work. They were the boss. Now, the middle class pays the freight in golf — at the gate and on television.

"For the fans' sake and for all the volunteers who'll have to make arrangements for Monday, the tournament should be over today," said Stewart, who could have taken care of that himself Sunday if he hadn't missed those short putts at the 15th and 17th holes. "They deserve to have the right to see the champion crowned today."

The Masters has gone to sudden death and been rewarded with one stunning and historic denouement after another — Larry Mize's chip-in to win, Scott Hoch's blown tap-in to tear up his own green coat, Ray Floyd's heart-breaking hook into Hogan Pond.

Even the British Open, run by shirts every bit as stuffed as those of the USGA, has gone to a multihole, same-day playoff: either four holes or five, depending on the site. Many feel that the USGA would gladly go to a comparable format — if only the Royal and Ancient hadn't thought of it first.

"What the British Open does seems like a good idea," Simpson said. "I have no idea what is in the minds of the USGA. I guess they think this is *the* major championship, at least in their eyes."

Well, it's losing ground fast. The U.S. Open course is supposed to be set up to identify the greatest golfer in the world. But increasingly it looks like it's being set up to identify Scott Simpson. That's to say, the USGA creates a course that not only takes power out of the sport but penalizes it while also minimizing creativity and bravery in every possible way. Be boring or don't bother to show up.

If this 91st U.S. Open had been allowed to come to an organic ending Sunday evening, either in sudden death or in a multihole playoff, it would almost certainly have been wonderful stuff. Presumably, either Simpson would have pulled his drives farther and farther into the rough, or Stewart would have missed shorter and shorter birdie putts until, finally, somebody won.

Now, instead of the golf world having to waste its time discussing something dull — like who won the U.S. Open and how — we can all spend another 24 hours discussing truly fascinating matters.

The big news on the Simpson watch is that our lad has put out a statewide all-points bulletin for a washing machine. Seems he's found a dry cleaner for his pants but all his golf shirts are kind of musty.

Anyway, the sunshine boys were to be back here again Monday. But if there was an iota of justice, it would end in a 77-77 tie.

Then, perhaps, a sudden-death finish would be in order, with matching double-eagles, followed by a hole-in-one. That might get the USGA's attention. That is, if the old boys haven't nodded off by then.

SIDELINES

Controversy at Wimbledon

WIMBLEDON, England (AP) — Wimbledon, which has always maintained its right to ignore world rankings, followed them strictly Monday and seeded defending champion Martina Navratilova only fourth in a tournament she has won a record nine times.

The All England Club made Monica Seles the top women's seed, although her best result was reaching last year's quarterfinals. Among the men, clay-court specialists as Emilio Sánchez and Karel Novacek were seeded while such grass-court specialists as Pat Cash, the 1987 champion, were not. *(See Scoreboard)*

Soccer Cup to Open June 17

NEW YORK (Reuters) — The 1994 World Cup soccer tournament will begin June 17 and end with the championship July 17, the U.S. organizers said Monday. The eight to 12 U.S. communities that will host the matches will be named by the end of the year and specific game sites will be announced in mid-1992, World Cup USA 1994 said in a statement.

● The U.S. national team played world club champion AC Milan to a 1-1 draw Sunday in Chicago before a crowd of 41,572, fourth-largest to watch the national team outside the Olympics. *(AP)*

No More Soccer for Heysel

BRUSSELS (AP) — No more soccer matches will be played in Heysel Stadium, where 39 people died during riots in 1985, officials said Monday after violence during the Belgian Cup final last weekend.

The government and the soccer federation said the facilities were too decrepit to assure the safety of spectators after hooligans smashed worn-out concrete fences and pelted police with the debris Saturday.

● Trevor Francis was hired Monday to coach newly promoted Sheffield Wednesday. *(Reuters)*

Namibia Admitted by IOC

BIRMINGHAM, England (NYT) — In an unexpected move that appeared to be a precursor to the readmission of South Africa, the International Olympic Committee has granted recognition to Namibia, enabling the southwest African country to participate in the Olympics next year in Barcelona.

Keba Mbaye of Senegal, an IOC official, said Sunday the IOC was making a "very exceptional decision" for Namibia, which gained independence last year and subsequently applied for membership.

For the Record

Dragan Stojkovic, the Yugoslav midfielder signed by Marseille a year ago for a record $8 million, will be transferred to an Italian club — Verona, Juventus or Sampdoria — before next season, the French club's president, Bernard Tapie, said Monday. *(Reuters)*

John Paddock, 37, was named coach Monday of the NHL's Winnipeg Jets, after waiting for more than a week while his contract was cleared by the New York Rangers, for whom he had coached a farm team. *(AP)*

Tom McVie, named interim coach in March, was retained Monday by the NHL New Jersey Devils. *(AP)*

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	33	27	.550	—
Toronto	34	29	.540	½
Detroit	30	32	.484	4
Milwaukee	27	33	.450	6
New York	25	33	.431	7
Baltimore	22	38	.367	11
Cleveland	22	38	.367	11
West Division				
Minnesota	38	25	.603	—
Oakland	37	25	.597	½
Texas	32	25	.561	3
California	33	28	.541	4
Seattle	33	29	.532	4½
Chicago	29	31	.483	7½
Kansas City	29	31	.483	7½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	37	22	.627	—
St. Louis	32	29	.525	6
New York	31	29	.517	6½
Chicago	31	31	.500	7½
Montreal	28	34	.452	10½
Philadelphia	26	36	.419	12½
West Division				
Los Angeles	36	25	.590	—
Cincinnati	33	28	.541	3
Atlanta	31	28	.525	4
San Diego	33	31	.516	4½
Houston	25	37	.403	11½
San Francisco	25	38	.397	12

Sunday's Line Scores

AMERICAN LEAGUE

California 000 000 000—0 4 0
Boston 000 020 00x—2 7 1

McCaskill and Orton; Bolton, Reardon (9) and Pena. W—Bolton, 6-4. L—McCaskill, 6-7. Sv—Reardon (17).

Minnesota 000 001 100 2—4 7 2
Cleveland 000 100 010 0—2 7 1
(10 innings)

Tapani, Aguilera (8) and Harper, Ortiz (10); Swindell, Hillegas (9), Orosco (10) and Skinner. W—Aguilera 2-2. L—Hillegas, 2-1. HR—Puckett (8).

Baltimore 034 010 500—13 13 0
Toronto 303 020 000—8 12 0

Mesa, Klipus (5), Frohwirth (6), Olson (9) and Melvin; Wells, Acker (3), MacDonald (6), Ward (7), Fraser (9) and Myers. W—Frohwirth, 1-0. L—Ward, 0-3. HRs—Baltimore, Ripken (13), Gomez (2), Milligan (6), Orsulak (3). Toronto, Carter (12).

Oakland 000 013 030—7 14 2
Milwaukee 103 030 004—11 13 0

Slusarski, Honeycutt (5), Nelson (7) and Steinbach; Bosio, Holmes (6), Crim (9) and Surhoff. W—Crim, 4-4. L—Nelson, 0-1. HRs—Oakland, Canseco (13), McGwire 2 (11). Milwaukee, Vaughn (12), Stubbs (3).

Kansas City 080 000 100—9 12 0
Chicago 001 210 000—4 11 0

Gubicza, Magnante (6), S.Davis (8) and Mayne; Fernandez, Patterson (2), Pall (5), Radinsky (7), Thigpen (9) and Merullo, Wakamatsu (8). W—Gubicza, 3-3. L—Fernandez, 2-7. HRs—Kansas City, K.Gibson (10), Shumpert (3).

Detroit 033 100 000—7 7 0
Seattle 001 000 011—3 12 2

Gullickson, Gibson (9) and Tettleton; Rice, Burba (3), Swan (6), Murphy (8), Jackson (9) and Bradley. W—Gullickson, 8-3. L—Rice, 1-1. HRs—Detroit, Fielder (14), Barnes (2). Seattle, Davis (7).

New York 001 100 001 000 000—3 5 0
Texas 010 002 000 000 001—4 13 1
(15 innings)

Sanderson, Howe (8), Farr (9), Habyan (12), Guetterman (13) and Nokes; Ryan, Je. Russell (10), Jeffcoat (11), Gossage (11), Rogers (11), Bitker (12) and Jo. Russell. W—Bitker, 1-0. L—Guetterman, 1-1. HRs—New York, Velarde (1), Maas (12).

NATIONAL LEAGUE

Atlanta 201 101 100—6 12 1
Montreal 001 123 00x—7 10 2

Leibrandt, Freeman (5), Stanton (6), Mahler (6), Mercker (8) and Heath; Nabholz, Sampen (5), Piatt (7), Fassero (7), Jones (9) and Fitzgerald. W—Sampen, 4-1. L—Stanton, 2-1. Sv—Jones (4). HR—Atlanta, Bream (9).

Houston 000 002 300—5 11 1
New York 100 011 100—4 9 1

Portugal, Corsi (7), Osuna (8) and Nichols; Viola, Simons (8), Innis (8) and Cerone. W—Portugal, 6-2. L—Viola, 7-4. Sv—Osuna (5).

Cincinnati 000 131 012—8 10 0
Philadelphia 004 001 100—6 12 1

Charlton, Power (7), Myers (8), Carman (9) and Oliver, J. Reed (8); Combs, Boever (5), McDowell (8) and Lake, Fletcher (9). W—Myers, 3-4. L—McDowell, 3-3. Sv—Carman (1). HRs—Cincinnati, Larkin (8), Braggs (6). Philadelphia, Chamberlain (1).

Chicago 001 001 000—2 6 0
San Diego 000 102 01x—4 5 0

G. Maddux, McElroy (7), Slocumb (8) and Wilkins; Melendez, Andersen (8) and Santiago. W—Melendez, 2-2. L—G. Maddux, 6-4. Sv—Andersen (2). HR—Chicago, G. Maddux (1), Grace (4). San Diego, J. Clark (4).

Pittsburgh 000 103 000—4 6 1
San Francisco 000 010 002—3 8 0

Walk, Patterson (6), Landrum (9) and Slaught; Black, Downs (8), Segura (9) and Kennedy, Decker (8). W—Walk 4-0. L—Black, 6-6. Sv—Landrum (13). HR—Pittsburgh, J. Bell (7).

St. Louis 020 000 000—2 4 2
Los Angeles 000 102 40x—7 16 0

Hill, Sherrill (7), Grater (7) and Pagnozzi; Ojeda and Carter. W—Ojeda, 6-4. L—Hill, 6-4. HR—Los Angeles, Murray (7).

SOCCER

SPANISH CUP
Quarterfinals, second leg
Atletico de Madrid 0, Valladolid 1
Gijon 3, Logrones 0
Mallorca 3, Valencia 1

Semifinals
Barcelona vs. Atletico, June 19
Gijon vs. Mallorca, June 23

AUTO RACING

Mexican Grand Prix

Results from the 2.747-mile (4.395-kilometer), 67-lap Formula I race, with names, home countries, make of car, winner's time, average speed in miles-kilometers per hour and laps completed:

1. Ricardo Patrese, Italy, Williams-Renault, 1 hour, 29 minutes, 52.205 seconds; 122.602 mph (196.163 kph), 67 laps; 2. Nigel Mansell, Britain, Williams-Renault, 1.336 seconds behind, 67; 3. Ayrton Senna, Brazil, McLaren-Honda, 57.356, 67; 4. Andrea De Cesaris, Italy, Jordan-Ford, 66; 5. Roberto Moreno, Brazil, Benetton-Ford, 66; 6. Eric Bernard, France, Lola-Ford, 66; 7. Gianni Morbidelli, Italy, Minardi-Ferrari, 66; 8. Thierry Boutsen, Belgium, Ligier-Lamborghini, 65; 9. Mika Hakkinen, Finland, Lotus-Judd, 65; 10. Johnny Herbert, Britain, Lotus-Judd, 65.

Drivers championship points: 1. Senna, 44; 2. Patrese, 20; 3. Nelson Piquet, Brazil, Benetton-Ford, 16; 4. Mansell, 13; 5. Alain Prost, France, Ferrari, 11; 6. Gerhard Berger, Austria, McLaren-Honda, 10; 7. Stefano Modena, Italy, Tyrrell-Honda, 9; 8. De Cesaris, 6; 9 (tie). Jean Alesi, France, Ferrari, and Moreno, 5; 11. Jyrki Jarvilehto Lehto, Finland, 4; 12. Pierluigi Martini, Italy, Minardi-Ferrari, 3; 13 (tie). Hakkinen, Bertrand Gachot, France, Jordan-Ford, and Satoru Nakajima, Japan, Tyrrell-Honda, 2; 16 (tie). Bernard; Julian Bailey, Britain, Lotus-Judd; Aguri Suzuki, Japan, Lola-Ford; Emanuele Pirro, Italy, Dallara-Ford, 1.

TENNIS

Davis Cup

WORLD GROUP
Quarterfinals
United States 4, Spain 1
Tomas Carbonell, Spain, def. Rick Leach, U.S., 7-6 (7-1), 5-7, 6-4.

ASIA/OCEANIA ZONE, GROUP TWO
Second Round
Sri Lanka 5, Bangladesh 0
Arjun Fernando, Sri Lanka, def. Shavan Jamaly, 6-4, 6-3; Rohan de Silva, Sri Lanka, def. Sardar Iftekhar, 7-5, 5-7, 6-2.

Wimbledon Seedings

Men's singles: 1. Stefan Edberg, Sweden; 2. Boris Becker, Germany; 3. Ivan Lendl, Czechoslovakia; 4. Jim Courier, U.S.; 5. Andre Agassi, U.S.; 6. Michael Stich, Germany; 7. Guy Forget, France; 8. Pete Sampras, U.S.; 9. Michael Chang, U.S.; 10. Goran Ivanisevic, Yugoslavia; 11. Emilio Sanchez, Spain; 12. Andrei Cherkasov, Soviet Union; 13. Jakob Hlasek, Switzerland; 14. Karel Novacek, Czechoslovakia; 15. Brad Gilbert, U.S.; 16. John McEnroe, U.S.

Women's singles: 1. Monica Seles, Yugoslavia; 2. Steffi Graf, Germany; 3. Gabriela Sabatini, Argentina; 4. Martina Navratilova, U.S.; 5. Arantxa Sanchez Vicario, Spain; 6. Mary Joe Fernandez, U.S.; 7. Jana Novotna, Czechoslovakia; 8. Zina Garrison, U.S.; 9. Katerina Maleeva, Bulgaria; 10. Jennifer Capriati, U.S.; 11. Helena Sukova, Czechoslovakia; 12. Nathalie Tauziat, France; 13. Natalia Zvereva, Soviet Union; 14. Anke Huber, Germany; 15. Amy Frazier, U.S.; 16. Sandra Cecchini, Italy.

TRANSACTIONS

BASEBALL
National League
ST. LOUIS—Put Bernard Gilkey, outfielder, on 15-day disabled list.

Scores and Earnings at the U.S. Open

Final scores and earnings in the U.S. Open Championship on the 7,149-yard, par-72 Hazeltine National Golf Club course (x-denotes tie for playoff; a-denotes amateur):

x-Scott Simpson	70-68-72-72—282
x-Payne Stewart	67-70-73-72—282
Larry Nelson, $62,574	73-72-72-68—285
Fred Couples, $62,574	70-70-75-70—285
Fuzzy Zoeller, $41,542	72-73-74-67—286
Scott Hoch, $36,090	69-71-74-73—287
Nolan Henke, $32,176	67-71-77-73—288
Raymond Floyd, $26,958	73-72-76-68—289
Jose Maria Olazabal, $26,958	73-71-75-70—289
Corey Pavin, $26,958	71-67-79-72—289
D.A. Weibring, $20,909	76-71-75-68—290
Davis Love III, $20,909	70-76-73-71—290
Jim Gallagher, Jr., $20,909	70-72-75-73—290
Craig Parry, $20,909	70-73-73-74—290
Hale Irwin, $20,909	71-75-70-74—290
Tom Watson, $17,186	73-71-77-70—291
Nick Faldo, $17,186	72-74-73-72—291
Sandy Lyle, $17,186	72-70-74-75—291
Billy Ray Brown, $14,161	73-71-77-71—292
Peter Persons, $14,161	70-75-75-72—292
Mark Brooks, $14,161	73-73-73-73—292
Tom Sieckmann, $14,161	74-70-74-74—292
John Cook, $14,161	76-70-72-74—292
Craig Stadler, $14,161	71-69-77-75—292
Nick Price, $14,161	74-69-71-78—292
Tim Simpson, $11,711	73-72-76-72—293
Mike Reid, $11,711	74-72-74-73—293
Bob Tway, $11,711	75-69-75-74—293
Jodie Mudd, $11,711	71-70-77-75—293
Rick Fehr, $11,711	74-69-73-77—293
David Rummells, $10,133	72-73-77-72—294
Ed Humenik, $10,133	72-70-78-74—294
Chris Perry, $10,133	72-73-75-74—294
Peter Jacobsen, $10,133	72-73-74-75—294
Lance Ten Broeck, $10,133	72-73-74-75—294
Brian Kamm, $10,133	69-73-73-79—294
Mark Calcavecchia, $8,560	69-74-78-74—295
Tom Purtzer, $8,560	77-68-77-73—295
Billy Mayfair, $8,560	72-73-76-74—295
Keith Clearwater, $8,560	70-76-74-75—295
Tom Kite, $8,560	71-75-74-75—295
Buddy Gardner, $8,560	74-72-74-75—295
Andy North, $8,560	71-71-77-76—295
Ian Baker-Finch, $7,477	77-70-75-74—296
Jim Hallet, $7,477	72-74-73-77—296
Rodger Davis, $6,873	74-68-81-74—297
Jack Nicklaus, $6,873	70-76-77-74—297
Blaine McCallister, $6,873	72-72-76-77—297
Steve Pate, $6,033	72-75-77-74—298
Michael Harwood, $6,033	71-74-77-76—298
Wayne Levi, $6,033	72-72-76-78—298
Loren Roberts, $6,033	75-70-74-79—298
Larry Rinker, $5,389	72-72-77-78—299
John Inman, $5,389	72-72-77-78—299
a-Phil Mickelson	73-72-80-75—300
Larry Mize, $5,164	73-73-79-75—300
Steve Gotsche, $5,164	72-75-76-77—300
Steve Elkington, $5,164	77-69-76-78—300
Ian Woosnam, $5,164	73-68-79-80—300
David Graham, $5,008	74-71-80-77—302
Stan Utley, $4,958	73-71-81-78—303
John Adams, $4,958	72-75-78-79—304
Terry Snodgrass, $4,958	74-73-80-78—305
Lanny Wadkins, $4,958	76-70-80-79—305
Wayne Grady, $4,958	73-74-78-80—305

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ART BUCHWALD

Financial Forecasting

WASHINGTON — You hear the figures being quoted by financial reporters. The economy is up — it's down — and the big turnaround will be on Babe Ruth's birthday. Where do the forecasts come from?

They are released by government economists like Jim Warner.

Warner works in a small windowless room on the third floor of the U. S. Bureau of Highs and Lows. He has been there for 20 years and has never seen the sun.

When I went to visit him, he was bent over his desk studying what appeared to be a printout.

Buchwald

"Warner," I said, "when will the recession be over?"

He blinked his eyes. "The recession IS over."

□

"Are you crazy? Have you been out in the street? Every other store has its windows covered with white paint, and there are Space for Rent signs all over the place. Half the buildings in Washington have For Lease banners hanging from the roof. Go out and see with your own eyes."

"I never leave the office," Warner replied. "It confuses me. We economists believe that what you don't see can't hurt you."

□

"So, if you won't look, how do you know whether there is a recession or not?"

"I pore over these printouts. A bottom line never lies."

"Today I read that 100,000 more people were laid off in the manufacturing arm of American industry. Doesn't that tell you something?" I asked.

"It wasn't in *my* computer," Warner said. "People have a strange idea of how economists work. We are in the business of collating numbers. The more numbers we collate, the more accurate are our predictions. Now you may walk down the street and see empty shops, or maybe your son can't get a job, and perhaps you are unable to get a loan from the bank. So you think there is a recession."

"What would you call it?"

"It's a slight misfortune, but it isn't a recession. The only device that can recognize whether it's a recession or not is this high-tech laser printer which can spit out 14 data sheets of bad news a minute."

□

"If the recession is over, why doesn't it show up in profits?"

"It takes time to pick up after a recession is finished — maybe two or three years. My job isn't to forecast the exact shape of the recovery."

"Whose job is that?" I asked Warner.

"Donna Hickman's, but she was laid off by Richard Darman in the OMB Monday Night Massacre. I hear it was a terrible bloodbath, but I didn't see it because I have no windows."

"Why don't you come out with me for lunch and look at what's going on in the country?"

"I can't do that. I might see something that could affect my economic game plan. I am only interested in the evidence that's forwarded to me by all the other U. S. agencies."

"I'm happy that you're certain the recession has bottomed out," I told Warner.

"If I wasn't, the administration would find somebody who was."

Camus Manuscript Sold for $163,000

Reuters

PARIS — The manuscript of Albert Camus's novel "L'Etranger" ("The Stranger") was sold for a million francs (about $163,000) at a Paris auction.

A Frenchman, who was not otherwise identified, bought the manuscript from the estate of Professor Jacques Millot.

Millot was a scientist and friend of Camus, who gave him the 104-page handwritten document.

Camus, a Nobel Prize winner, died in a car crash in 1960 at the age of 47.

Camus penned in four alternative titles on the manuscript's cover in case publishers rejected the title under which it was read by generations in dozens of languages.

The four substitute titles: "Modesty," "A Happy Man," "A Free Man" and "A Man Like All Others."

Ramsey Clark and His Path to the Fringe

By David Margolick

New York Times Service

NEW YORK — Three portraits of his late father, the former attorney general and Supreme Court justice, look down at Ramsey Clark from the walls of his disheveled law office in Manhattan. Those who knew Tom C. Clark think that, if he could, he would be frowning over what he saw.

They think the elder Clark, a conventional and conservative Democrat, would disapprove of his son's clients, who include the political extremist Lyndon H. LaRouche Jr. and the Palestine Liberation Organization.

They think he would loathe his son's world view, which has led him to denounce American power and policies from Hanoi to Tripoli, Grenada to Panama, and most recently, Iraq.

And those who knew Tom Clark think he would be deeply disappointed that, having sacrificed his high court seat in 1966 to facilitate his son's new role as attorney general, the younger Clark would have veered from the center of power to the fringes of public opinion.

From the government's top law-enforcement official, a post he held until 1969, Clark has evolved into one of its harshest and most unrelenting critics.

But Ramsey Clark himself thinks his father, who died in 1977, would approve of his views on law and life, just as he pooh-poohs the notion that deliberately or subliminally he has spent that life repudiating what his father stood for.

"He might have said, 'Bub gets carried away every once in a while,' but he loved me to a fault," he said, using a childhood nickname. "Everything I ever did, he thought was wonderful."

Clark still seems like the boy from Dallas, though he has lived in New York for more than 20 years. He still speaks with the soft twang that led Attorney General Robert F. Kennedy to assign him civil rights work in the South in the early 1960s.

He remains thin and lanky, right down to his fingers, and seems perpetually youthful. In fact, he is 63, old enough for people to take the measure of his highly unorthodox career.

Earlier this year, as the Gulf war raged, Clark toured Iraq, where he denounced what he called the American bombing of civilian targets.

Earlier, he met with Saddam Hussein. The trips brought him much criticism, as did earlier excursions to Iran during the hostage crisis and to Libya after the American bombing of Tripoli.

Last April, in an article in The New Republic entitled "The Curious Case of Ramsey Clark," John B. Judis, a contributing editor, traced Clark's path from the Justice Department to what he called "the furthest reaches of the fevered swamps of American politics."

Clark, he said, had squandered his early promise and become "a legal 911 for a tawdry collection of accused terrorists and neo- or ex-Nazis." In his work for LaRouche, Judis asserted, Clark had gone from legal counsel to publicist and apologist. Judis called Clark an "easy mark for political con men," and said he had effectively "served as a flack" for Saddam of Iraq; Colonel Moammar Gadhafi, the Libyan leader; and the Ayatollah Ruhollah Khomeini, the Iranian revolutionary leader.

He further asserted that Clark was "possessed by the demons of anti-Semitism." As evidence, he cited not only his representation of LaRouche but also his defense of Karl Linnas, a onetime Nazi concentration camp guard in Estonia who was deported from the United States to the Soviet Union, and his defense of the PLO in a suit filed by the family of Leon Klinghoffer, the American killed by Palestinian terrorists on the cruise ship Achille Lauro.

Norman Podhoretz, editor of Commentary magazine, acknowledged that Clark had what he called "a certain integrity.

"Among the many who were radicalized in the 1960s, he stands out as the one who really meant it," he said. "Far from swinging back to the center, he has not only stayed radicalized but gone even further."

"But the content of this radicalism is negative and nihilistic," he added. "It seems to consist only of hatred of the United States and automatic support for anyone opposed to the United States, for any reason whatsoever in any context whatsoever."

Though Clark has been criticized frequently over the years for his causes and clients, those who have worked with him consider the New Republic critique hyperbolic and unfair. Some say his career has been a distinguished one, though one distinguished as much by generous spirit as legal victories.

"Ramsey goes where he thinks people are hurting," said Alan H. Levine, who practiced with Clark for five years in the 1980s and now teaches at Hofstra Law School. "I can't think of any attorney general who has performed more useful public service since leaving office."

William Kunstler, who worked with Clark on behalf of inmates in the Attica prison uprising, called him "the voice of conscience in the American bar." And Nicholas deB. Katzenbach, Clark's predecessor as attorney general, added: "Ramsey doesn't always show great judgment, but he's always shown great courage."

But even Clark's admirers depict him as a kind of wayward son. They say he can be naive, stubborn, simplistic and sanctimonious, more emotional than analytical. They suspect he is haunted by the ghost of his father and qualms over his days in Washington when he prosecuted draft card burners protesting the Vietnam War.

Still, few pretend to really know the man. "I don't get him as a human being," said his former law partner, Melvin L. Wulf of New York. "He was and is a total enigma to me, and I don't think anyone worked with him as closely as I."

Wulf described Clark as one who never realized his potential. "He lost the opportunity to be a really effective, influential voice on the American left, such as it is, and that was a great loss," he said.

Clark takes the criticism in stride. He called Judis's facts "all wrong" and said that The New Republic "has a thing about me," but he did not dwell on the story. "I believe in a free press," he said. "I'd like to see one."

Apart from a recent photograph of Nelson Mandela, Clark's office is filled with memorabilia from another era, a time when college students still attended hootenannies and wore sports jackets and thin neckties to class.

There are busts of Lincoln, the Kennedy brothers and Lyndon B. Johnson, along with a photograph of J. Edgar Hoover warily eyeing Clark.

He estimates that he does 75 to 90 percent of his legal work free, and with his frequent trips abroad ("You have to stoke the fires all the time," he explained.) costing him $25,000 to $50,000 annually, he acknowledges some trouble paying bills.

He said one principle tied together his legal and political work: to make the United States live up to its ideals. "The measure of your quality as a public person, as a citizen, is the gap between what you do and what you say," he said. "Camus said, 'I should love to be able to love my country and love justice.' With him that was only a wish. I translate that into a duty."

That accounted, he said, for his decision to represent LaRouche, who was convicted in 1988 for conspiracy, mail fraud and tax evasion in connection with raising money through his political groups.

"I don't believe in knocking people I represent, but the idea that I'm his 'apologist' is absurd," he said. "If I ever made a study of the man, I'd probably agree with 10 percent of what he stands for. But that doesn't mean he shouldn't get a fair trial. If you don't stand up in the toughest cases, you're worthless. The easy cases are easy."

Though he said that people constantly tried to use him, he denied he was a dupe for foreign leaders hostile to the United States, most recently Saddam Hussein. "The idea that my going to Iraq helped a despot is too foreign to my understanding of life to have any meaning," he said. "All I saw was a bunch of poor people getting the hell beaten out of them."

Keith Meyers/The New York Times

"The measure is the gap between what you do and what you say."

PEOPLE

El Rancho Fonda Put On the Block by Jane

Jane Fonda has put her California ranch on the market for $5.75 million. She bought the 157-acre ranch near Santa Barbara in 1977. Fonda is engaged to **Ted Turner**, the cable television tycoon, who lives in Atlanta. When they became engaged last December, they said they expected to marry within a year. The ranch includes eight houses with a total of 27 bedrooms, a bunkhouse, a theater, a gymnasium, a dance pavilion, a swimming pool, a pond, a hot tub, a baseball diamond, riding trails, gardens, orchards and panoramic views.

□

In Italy, **John Updike** won the prestigious $42,000 Scanno Prize. The Pulitzer Prize-winning novelist was honored for his book "Trust Me." Previous winners include **Mario Vargas Llosa** and **Saul Bellow**.

□

In one of the sillier bicentennial events, a concert audience in San Francisco found **Antonio Salieri** not guilty of murdering **Wolfgang Amadeus Mozart** 200 years ago. The concertgoers voted with their applause after a 30-minute mock trial conducted in powdered wigs and presided over by the celebrity lawyer **Melvin Belli**. "The fate of Señor Calieri is now in your hands," declared Belli, bungling the older composer's name. Musical scholars consider the supposed murder to be nothing but a persistent myth.

□

Brigitte Bardot has urged owners to sterilize their pets to keep France's animal population under control. The former film star, now a crusader for animal rights, told the Paris daily France-Soir, that sterilization was the only way to put the brakes on a rising French pet population of 35 million. Bardot, is launching a public appeal in favor of sterlization and for making the operation available free of charge. An estimated 200,000 dogs and 150,000 cats are abandoned by the French every year, mostly by owners leaving on their summer vacation. Under the law stray cats and dogs are destroyed if not claimed within 78 hours. Bardot has about 60 cats and 10 dogs, all sterilized, she said. "They are my family, my joy and also my sorrow when they die."

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Printed by Newsfax International, London. Registered as a newspaper at the post office.

The Global Newspaper
Edited and Published in Paris
Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo, Frankfurt.

International Herald Tribune

Published With The New York Times and The Washington Post

No. 33,687 25/91 ** PARIS, WEDNESDAY, JUNE 19, 1991 ESTABLISHED 1887

Investors Put Money On a U.S. Recovery

Aided by Low Inflation, The Dollar Is Pushed To a 19-Month High

By Lawrence Malkin
International Herald Tribune

NEW YORK — International investors piled into dollars Tuesday on the bet that the U.S. economy was entering a virtuous circle of lower inflation and new growth that would yield abnormally high returns on their money.

The flow out of Germany sent the dollar to yet another high in Frankfurt, where it was fixed at 1.8156 Deutsche marks, the best for 19 months.

During a busy day of volatile trading, the market twitched over unrelated Federal Reserve Board comments, U.S. housing statistics.

Some economic forecasters are now predicting a faster U.S. recovery. Page 13.

and hopes for Wednesday's trade figures, and the dollar fell back slightly from its high. But it still moved up about a pfennig and a half on the day in London to 1.8150 DM in late trading. That compared with a Monday close of 1.7985.

In New York, the U.S. currency surged two pfennig to 1.8177 DM, compared with 1.7941 at the close Monday.

The dollar was also strengthened indirectly by a parallel movement out of marks into yen after the Japanese government reported a stronger than expected rise in output of 2.7 percent during the first quarter. In New York, the dollar closed at 141.15 yen, up from Monday's 140.665.

Since the start of the year, the dollar has gained about 25 percent against the mark. The climb has recently been accelerated as statistics show underlying inflation running only at about 2 percent, or as much as two percentage points lower than Germany.

Brendan Brown of Mitsubishi Finance in London said this made the dollar appealing to large international bond investors, who tend to watch "real" returns — interest rates minus inflation. On that basis, U.S. long-term Treasury bonds now return 6 percent to 6.5 percent a year, while their German equivalents return only 4 percent.

This contrast has become more extreme in recent weeks as the memory of past economic recoveries frightened Americans into demanding long-term interest rates, which moved up by almost half a percentage point in a month and made U.S. bonds that much more attractive to overseas investors.

"Foreigners are less skeptical than Americans about U.S. inflation prospects," Mr. Brown said, "and they are more optimistic about prospects in the United States."

He added that "this will end when dollar interest rates start coming down."

Paul Chertkow, international strategist at Citibank in London, elaborated on this theme: "European investors now are more positive about the United States than Germany, and the Japanese came to the same conclusion overnight, which helped weaken the mark.

"In the United States," he said, "we see a recovery with lower inflation, which would lead to a rally in the bond market, while in Germany we see the economy in the East contracting and West Germany raising interest rates. People are buying the United States for the same reason they used to buy Japan."

He added that dollar advances had been consolidated because most traders were cautiously taking their profits at the end of each trading day and not leaving themselves exposed overnight to central bank intervention, which so far has not materialized during the recent rally.

Finance Minister Pierre Bérégevoy of France

See RECOVERY, Page 14

Jürgen Schwarz/Reuters

Hans-Dietrich Genscher, left, showing the historic sights of Halle, his hometown in Eastern Germany, to James A. Baker 3d.

West Won't Fail You, Baker Says in Vow To Eastern Europe

In Berlin, He Stresses That U.S. Role Should Be One of Advice and Ideas

By David Hoffman
Washington Post Service

BERLIN — Secretary of State James A. Baker 3d promised the fledgling democracies of Eastern Europe and the Soviet Union on Tuesday that the United States and its partners would attempt to help them cement political pluralism and establish free markets.

In an address to the Aspen Institute here on the eve of the opening of a 34-nation pan-European conference, Mr. Baker sought to reassure the nations that have thrown off communism in the last year and a half — bringing them new economic and political turmoil — that they will not be abandoned by the United States and Western Europe.

Mr. Baker defined the role that the United States would play as a modest one, offering advice and ideas but not large-scale financial assistance.

On security issues, the secretary of state called for measures to prevent conflicts and establish "a regular dialogue" about military matters.

"We must begin to extend the trans-Atlantic community to Central and Eastern Europe, and to the Soviet Union," he said.

Mr. Baker described this as "the still incomplete pieces" of an architecture for Europe after the fall of the Berlin Wall and the collapse of Communist totalitarianism in the East.

"The revolutions of freedom in Central and Eastern Europe need our ongoing support to become lasting democracies," he said. "*Perestroika* needs our encouragement to move further toward a free society and free markets."

Mr. Baker said the goal of the United States and its allies was to build a "Euro-Atlantic community that extends east from Vancouver to Vladivostok."

While offering this broad vision, he suggested only limited practical initiatives, particularly toward the Soviet Union, which many Europeans view as having the greatest potential for trouble from economic and political instability.

"Our greatest challenge will be to extend the trans-Atlantic community to the Soviet Union," Mr. Baker went on. "While the new architecture can accomplish much short of that goal, it will be incomplete as long as the U.S.S.R. hesitates outside."

"It is in the interest of the Soviet peoples to embrace a real market economy, democracy, and the rule of law," he said. "It is in our interest to support them."

The secretary of state declared that "the United States, for reasons of history, has a special role to play in supporting the process of change in the Soviet Union."

As the Soviets "demonstrate the will to help themselves," Mr. Baker said, "then we can and should join them step by step."

"We hope President Gorbachev now brings forward a new effort at serious market reform that will enable us to advance perestroika — to help advance a Soviet agenda and Soviet goals," he said.

"The door to the Euro-Atlantic community is open. But only the Soviets can decide to step over the threshold."

Mr. Baker outlined a package of measures, most of which have been made public earlier, to respond to the Soviet economic crisis, as Mr. Gorbachev has turned back to supporters of change and the West in the last few months.

This package is expected to be put forward by the United States when or before Mr. Gorbachev arrives in London at the meeting of the leaders of seven major industrial democracies four weeks from now.

The package, Mr. Baker said, will include support for more formal contacts with the International Monetary Fund and World Bank.

Mr. Baker mentioned a project to encourage energy development. A State Department official said the administration was looking for projects that could help Mr. Gorbachev and his supporters to "start to show some success, to show that there is some payoff."

The energy project, he said, would be aimed at developing the Soviets' oil wealth and showing Moscow "practically" how to overcome the rival laws and regulations that have stymied many Western-backed joint ventures.

A third project, Mr. Baker said, would be to

See BAKER, Page 2

A Step-by-Step Proposal for East-West Harmony

By Joseph Fitchett
International Herald Tribune

Offering the vision of a "Euro-Atlantic community" of Western political and economic values, Secretary of State James A. Baker 3d has provided the clearest view yet of U.S. thinking about the dynamics of Europe in a new era.

His speech Tuesday in Berlin was studded with specific proposals, all of them underpinning the same lofty concept: that European security can anchor broader international stability if the United States and its European allies cooperate.

Throughout, the thrust went beyond the diplomatic business of forging new security arrangements in Europe and evoked a broader agenda of how to extend the Atlantic alliance's successes across Eastern Europe and eventually to the Soviet Union.

It is important, Mr. Baker said, "to go beyond the concept of balance and begin to establish the basis for real cooperative security," based upon the expansion of what he repeatedly termed the Euro-Atlantic community of values.

That view ran counter to renewed calls from Soviet officials on Tuesday in Berlin for the Western alliance to be dissolved in order to give way to the 34-nation Conference on Security and Cooperation in Europe as the vehicle for preventing new tensions in Europe.

NEWS ANALYSIS

Like Mr. Baker, the Soviet officials were in Berlin to participate in a ministerial meeting of the Conference, which is also strongly championed as a key institution for East-West cooperation by Hans-Dietrich Genscher, the German foreign minister.

Apparently confident that the Conference would not be a political threat to the North Atlantic Treaty Organization, Mr. Baker proposed giving it new tools to head off ethnic conflict in Eastern Europe, a region where NATO has refrained from staking out a direct responsibility.

U.S. acceptance of an expanded Conference echoed a meeting in May when Mr. Baker won Mr. Genscher's support for changes in NATO that have already started to take shape with the decision to create a rapid-reaction force.

Mr. Baker's speech, a U.S. official said, "was a very American view, emphasizing values and purposes and rejecting a tendency in Germany, France and some other European countries to create institutions and structures for the sake of having institutions."

Clearly hoping to transcend recent allied disputes about the future role for NATO, the speech had messages for all the main audiences involved in European developments.

- For Western Europe, Mr. Baker went a step farther than Washington has gone so far in acknowledging the potential usefulness of the Conference on Security and Cooperation in Europe in stabilizing former Communist countries — a step that will ease concerns in Bonn or Paris that NATO could stifle allied voices in European developments.
- For Eastern Europe, he recognized that democracies there faced urgent threats in the form of economic hardship and the possible

See HARMONY, Page 2

To Bonn or to Berlin: That Is the Capital Question

By Marc Fisher
Washington Post Service

BERLIN — The German parliament will finally answer on Thursday the question that has obsessed officialdom since the dramatic days of unification: Will Bonn or Berlin be the national seat of government?

The debate has become so bitter that even now advocates of Bonn and Berlin cannot agree on exactly what question the lower house of parliament will face, whether the vote should be open or secret, and whether the decision will be the last word.

To a Bonn booster, the central question is whether Germany's government is be situated in a village on the Rhine that rose from obscurity to represent West Germany through 45 years of peace and democracy, or in the congested, unruly metropolis that symbolized Germany as aggressive empire, genocidal warmonger and communist failure.

Berlin advocates turn the query around: Must Eastern Germany suffer yet another indignity and be ruled from an uncultured suburb a short drive from the Dutch border, or will united Germany come to terms with its new size and weight and embrace its history, grand and terrible, by moving its capital 560 kilometers (350 miles) to the east?

In a battle that has raged through the pages of every publication, on countless hours of broadcast debates, and in millions of corner *Kneipes* and family dining rooms throughout the land, Germans have summoned everything from historic destiny to moral imperatives in their attempt to win a majority for the city of their choice.

The choice of a city goes far beyond the mechanics of governance. This is a debate about the identity and future of a country just beginning to struggle with a change singular in modern history: the peaceful absorption and transformation of a country with one economic and political system into another, radically different nation.

When the 662 members of the German parliament, the Bundestag, gather to cast their votes, they may choose Bonn or Berlin, but it is more likely that they will reach a compromise that either splits the government between the two cities or delays a final decision. Leading proposals would send the president and the parliament to Berlin and leave the rest of the government in Bonn, or send just the president, Foreign Ministry and embassies to Berlin.

A newspaper poll this week found a slight majority of legislators in favor of Bonn, but

See CAPITAL, Page 2

Kiosk

Chile Mudslide Kills 61 and Injures 750

ANTOFAGASTA, Chile (AP) — A huge mudslide touched off by torrential rains struck a slum district here Tuesday, killing at least 61 people and injuring 750, officials said.

Interior Minister Enrique Krauss said in Santiago that 61 bodies had been recovered, including those of 13 children, and that the toll would climb. The cascade of mud and water buried 10 poor neighborhoods in the Villa El Salto district.

The rains had begun after midnight and continued for hours before the mass of mud broke from a mountain pass and smashed down on the district at 6 A.M.

General News

A Jordanian moderate is to form a cabinet in an effort to end isolation. Page 2.

The Philippine Army agreed to a truce with rebels in areas hit by eruptions. Page 3.

Technology Quarterly

Computer systems are linked up by radio for greater convenience. Pages 9-11.

Business/Finance

Differences over fishing and transit jeopardized talks on the creation of a 19-nation European trade zone. Page 13.

Crossword Page 8.

Dow Close
2,986.81
Down 7.15

The Dollar In New York	
DM	1.8177
Pound	1.609
Yen	141.15
FF	6.176

Isfahan: Renewed Luster For the Pearl of Persia

By Youssef M. Ibrahim
New York Times Service

ISFAHAN, Iran — Five decades after he chose it as the new capital of this country in 1598, Abbas I, the shah of Persia, had transformed this oasis from a caravan stop into a thriving center of artisans, architects and spectacular monuments. The city's culture was so refined that it became known in Persian as Nisf-e-Jahan: literally "half of the world."

Isfahan may not be quite that today, but as it dusts off 12 years of neglect after the Islamic revolution of 1979, this city 325 kilometers (200 miles) south of Tehran is shining again, its status reclaimed as one of the Middle East's most beautiful places.

With its lighted fountains, sycamore trees, thriving bazaars, fields of flowers, parks and magnificent turquoise and purple mosques, Isfahan has few rivals, either for serenity or for thriving civilization.

A perfect marriage at a special moment in history, when Islamic and Persian genius combined with an enlightened dynasty, the Safavids, Isfahan stands today seemingly impervious to the daily rigors of revolutionary Iran. Talk here is not of the struggles in Tehran between pragmatists and militants or of the recent crisis in the Gulf, but of tourism, more parks and cleaner streets.

Indeed, seen from here the Iranian revolution appears to be no more than a moment in the thousands of years of Persian history. Its rumbles fade away as the full moon rises over arched bridges spanning the river. Hiding in their niches, old teahouses can be found alongside art galleries and terraces.

"I think it is the most beautiful city in the world," said Hamid Riza Nikar, 35, the Texas-educated mayor, as he sat in a teahouse festooned with artifacts, Persian rugs and multicolored lanterns lodged beneath a 400-year-old bridge.

The New York Times

As tea and water pipes are brought to the mayor's guests, someone asks how he got the money to restore the bridges, monuments and mosques that create the harmonious architecture of Isfahan.

"*Khodyari*," whispers another guest, which roughly translates as "voluntary sacrifice." Wealthy merchants are asked to pay it, as are

See ISFAHAN, Page 6

Power Play at the Kremlin

Prime Minister Pavlov Demands More Authority

By Michael Dobbs
Washington Post Service

MOSCOW — President Mikhail S. Gorbachev moved Tuesday to block an attempt by his prime minister, Valentin S. Pavlov, to increase his executive authority amid signs of friction between the two leaders over a rescue plan for the economy.

The political maneuvering between Mr. Gorbachev and Mr. Pavlov was evidence of the disarray at the top of the Soviet leadership over whether to seek a massive aid package from the West.

A former finance minister, Mr. Pavlov has publicly expressed skepticism about plans to attract large Western credits in return for more rapid movement toward a Western-style market economy.

In what Soviet commentators described as an unprecedented move, Mr. Pavlov urged the Supreme Soviet to transfer some of Mr. Gorbachev's decision-making authority to the government. Answering questions from deputies, he made it clear that he was making the request without consulting Mr. Gorbachev in advance.

In justifying his request for extra powers, he said: "The president's working day is 14 hours. He is responsible for many questions that directly concern him. If we push all questions onto him, he simply would not be in any condition to attend to them all, even if there were 48 hours in his working day. In my opinion, there is a lot the president simply can't do."

The Supreme Soviet, which is dominated by conservative legislators, went into closed session to discuss the request, but postponed a decision until at least Friday.

According to the independent Interfax news agency, the parliamentary chairman, Anatoli I. Lukyanov, told deputies that Mr. Gorbachev wanted a delay in considering Mr. Pavlov's request until he could study the matter himself.

Mr. Gorbachev, who used to regularly attend Supreme Soviet sessions and interject comments at will, has kept away from parliament for many weeks. He has spent much of his time chairing meetings of the leaders of the republics on the drafting of a new union treaty.

Leaders of the nine republics that have agreed to remain in the Soviet Union — Russia, Ukraine, Byelorussia and six Muslim republics — initialed the draft treaty late Monday night after an eight-hour negotiating session.

The treaty, which proposes a new division of powers within a reformed Soviet federation, will be sent to the republics' parliaments for ratification.

In a television interview Tuesday evening, Mr. Gorbachev expressed satisfaction at the conclusion of the first stage of the negotiations, despite the refusal of six republics to take part. But he conceded that there were still some significant disagreements, particularly over the republics' contribution to the federal budget.

The negotiations have alarmed conservatives who fear that their principal power base, the federal parliament, will become irrelevant if the republics cut a deal with Mr. Gorbachev. The majority in the Supreme Soviet is insisting that it also have the right to take part in the concluding phase of the talks and is looking to Mr. Pavlov for support.

A leading hard-liner, Colonel Viktor Alksnis, told his colleagues during Monday's debate that they should support the government against the president because the government was "working for the preservation of our present state."

Coming (Soon?): The Earth-Shattering Asteroid

By William J. Broad
New York Times Service

NEW YORK — Somewhere in space at this moment, hurtling toward Earth at roughly 16 miles a second, is the doomsday rock.

The question of growing interest to scientists and engineers is exactly when it will approach the planet and whether anything can be done to avoid a catastrophic collision, such as nudging the rock off course with a nuclear blast or two.

The doomsday rock is an asteroid large enough to severely disrupt life on Earth upon impact by lofting pulverized rock and dust that blocks most sunlight. Agriculture would virtually end, and civilization could wither and die, just as the dinosaurs and many other forms of life are thought by some to have been wiped out by an object from space 65 million years ago.

So far, no astronomer has located the killer asteroid, which by definition would be a mile wide or larger, would have an orbit that crossed Earth's and would do so at exactly the wrong moment.

But, given enough time, it is inevitable that one will appear. And the odds are that the moment could be relatively soon, in celestial terms.

Experts, extrapolating from craters observed on the Moon and from a partial survey of Earth-crossing asteroids, calculate that "a big one" slams into the planet once every 300,000 to one million years.

That means there is between one chance in 6,000 and one chance in 20,000 of a cataclysmic impact in the next 50 years.

"Eventually it will hit and be catastrophic," said Tom Gehrels, a professor of lunar and planetary science at the University of Arizona who heads a team that searches the sky for killer asteroids.

"The largest near-Earth one we know of is 10 kilometers in diameter," or about 6.2 miles. "If a thing like that hit, the explosion would be a billion times bigger than Hiroshima. That's a whopper."

The field of asteroid detection and avoidance, once seen as laughably paranoid, has grown in size and respectability in the last decade. Congress called last year for a series of detailed studies after a half-mile-wide asteroid crossed the planet's path at an uncomfortably close distance in 1989.

"The Earth had been at that point only six hours earlier," a House report said. "Had it struck the Earth, it would have caused a disaster unprecedented in human history. The energy released would have been equivalent to more

See BANG, Page 2

Threats: A Comparison

Estimated risk for an American over a 50-year period:	
Risk of death from botulism	1 in 2,000,000
Risk of death from fireworks	1 in 1,000,000
Risk of death from tornados	1 in 50,000
Risk of death from airplane crash	1 in 20,000
Risk of death from asteroid impact	1 in 6,000
Risk of death from electrocution	1 in 5,000
Risk of death from firearms accident	1 in 2,000
Risk of death from homicide	1 in 300
Risk of death from automobile accident	1 in 100

Sources: Clark R. Chapman, Ph.D., and David Morrison, Ph.D.

The New York Times

Moderate in Jordan To Form Cabinet in Bid to End Isolation

By Joel Brinkley
New York Times Service

AMMAN — King Hussein has asked Taher Masri, the moderate Palestinian foreign minister who favors a negotiated settlement with Israel, to form a new administration, senior officials said Tuesday.

The selection of Mr. Masri, 49, who is known and well liked in Washington, is viewed as an effort to regain favor in the United States and bring Jordan out of the diplomatic isolation into which it fell for support of Iraq in the Gulf crisis.

The appointment, made without public notice Monday, has not been formally announced. But already Mr. Masri is trying to put together a parliamentary majority that excludes the extreme Islamic fundamentalist members of the legislature who oppose any form of peace negotiations.

"Taher Masri is the new prime minister, and with him the king hopes Jordan can show more flexibility in the current situation," a senior official said.

The former prime minister, Mudar Badran, had been outspoken in his criticism of the United States and openly supportive of Saddam Hussein, the Iraqi leader. Once last fall he publicly accused Washington of engineering the Gulf crisis to create new foreign markets for American-made arms.

In January, as the beginning of the war drew near and the sympathies for Iraq among many Jordanians grew intense, Mr. Badran drew members of the Muslim Brotherhood movement into the Jordanian government for the first time. These Islamic fundamentalists hold the largest single bloc of seats in parliament and openly oppose any concessions to the West.

Most of them are Palestinian, and in their view all of Palestine should be taken from the Jews by holy war. King Hussein does not share that view. He favors a negotiated settlement under which Israel would give up the West Bank and other lands taken during the 1967 Middle East war.

The king also knows that the Muslim Brotherhood would like to turn Jordan into an Islamic theocracy like Iran. But as the Gulf crisis neared its crescendo, passions in Jordan grew so intense that King Hussein had little choice but to bring the fundamentalists into the cabinet, and they were given five ministries.

If he had not, the king would faced ever-more vocal and potentially violent street demonstrations. But even from within the government, the Muslim Brotherhood made it clear that it would withdraw the moment Jordan made any attempt to open negotiations with Israel or move forward with the Bush administration's Middle East peace initiative.

Now that passions in Jordan have calmed and many Jordanians have reassessed their support for Iraq, Mr. Masri has been given the task of forming a government that excludes the fundamentalists.

That will make it easier for Jordan to participate in the regional peace conference Secretary of State James A. Baker 3d is trying to arrange. But it will also bring back the risk of loud, potentially violent street demonstrations, should the peace process go forward.

Since most of Jordan's citizens are Palestinian, and many of them favor settling for nothing less than all of Palestine, Jordanian officials said they were worried that fundamentalist demonstrations could spark a larger populist uprising.

On Tuesday, Mohammed Abdul Rahman Khalifa, leader of the Muslim Brotherhood in Jordan, said his organization would not join Mr. Masri's government in any case — if appeasement of Israel was its goal.

"We will not participate in any government that will negotiate with Israel, or with its American partner, if it is to reach a peaceful settlement of the question of Palestine," he said.

Kevin Lackin/Agence France-Presse

Boris N. Yeltsin, president of the Russian Republic, waving Tuesday after arriving at Andrews Air Force Base outside Washington.

Yeltsin in U.S.: Basic Questions for Bush

By R. W. Apple Jr.
New York Times Service

WASHINGTON — Boris N. Yeltsin began a three-day visit to Washington on Tuesday, a visit that confronts President George Bush with basic questions about Washington's attitude toward the rapidly changing Soviet Union, the focus of United States foreign policy for 45 years.

The root question is: Can Washington find some way to support Mr. Yeltsin, the newly elected president of the Russian Republic, and rapid economic and political change without undermining Mikhail S. Gorbachev, the national Soviet president, and stability?

Andrei Kozyrev, one of Mr. Yeltsin's associates, suggested last week at a news conference Mr. Yeltsin would tell Mr. Bush that Russia was ready to pursue both goals at once, "to achieve stability through broadening radical economic reforms."

The victor in the first direct election of a president in Russia's history, Mr. Yeltsin arrived in Washington as the leader of the Russian Republic, which stretches across 11 time zones, has a larger population than any other Soviet republic and commands nine-tenths of the nation's oil and more than three-quarters of its natural gas.

Mr. Yeltsin is a non-Communist decentralizer, who wants to shift power and authority to tax away from Moscow. Mr. Gorbachev is a Communist centralizer who wants to preserve Moscow's dominance. It is a debate not unlike one that split the United States in the last century.

Mr. Yeltsin's previous visit to Washington, in September 1989, was marked by thinly disguised U.S. indifference. He stopped at the White House, where he met with Brent

NEWS ANALYSIS

Scowcroft, the national security adviser, but not the president.

Until now, Washington officials, especially Mr. Bush, felt that they must cling to Mr. Gorbachev, partly because they admire what he has done so far, partly because they saw nothing but a slide into the abyss without him.

Now Mr. Yeltsin poses a genuine alternative — one endorsed by the masses, as Mr. Gorbachev has not been, and one more committed, in word if not yet entirely convincingly in deed, to ideas of democracy.

Officially, the visit this week is sponsored by congressional leaders, and Mr. Yeltsin is to spend Wednesday largely on Capitol Hill.

But on Thursday, he will be given the full treatment by the administration, meeting with Mr. Bush in the Oval Office and also with Defense Secretary Dick Cheney, Commerce Secretary Robert A. Mosbacher and Vice President Dan Quayle.

Only Secretary of State James A. Baker 3d is missing from the list; he is in Berlin talking about the future of Europe.

The White House seems to have concluded that Mr. Gorbachev's recent easing to tension with Mr. Yeltsin is real, not merely tactical.

Mr. Bush will be looking for confirmation of that in the talks. Some officials in the administration are skeptical, and a senior White House official said last week: "It will be tricky for the president, trying to give Yeltsin his blessing without undercutting Gorbachev's turn back toward reform."

Mr. Bush talked Monday on the subject of Soviet relations, telling reporters that work on a strategic arms treaty was "96 percent complete."

Agreement on such a treaty, the administration has maintained, is a prerequisite for a summit meeting.

White House and State Department officials have said in recent days that a meeting between the two presidents is unlikely late this month or even next month, when both will be in London for the annual conference of the Group of Seven, the major industrialized Western democracies. After that, Mr. Bush will be making visits to to Greece and Turkey.

But the president insisted that he was holding open a possiblity for a trip to Moscow should a breakthrough develop in the arms talks.

Proficient Technocrats In New Algeria Cabinet

New York Times Service

PARIS — After two weeks of intense deliberations, Algeria's new prime minister, Sid Ahmed Ghozali, picked a cabinet on Tuesday composed for the first time in the history of country of proficient technocrats, most of whom are not associated with the National Liberation Front that has governed Algeria for 29 years.

Although Mr. Ghozali is still a member of the Central Committee of the governing party, his choice of ministers has clearly placed some distance between him and the party, giving credence to his pledge to prepare the country for "free and clean" parliamentary elections later this year.

"I think, by and large, we must say that he has done well and chosen people who are competent and neutral," said Said Saadi, the leader of the secularist Rally for Culture and Democracy party, which is opposed to both the front and the leading Muslim fundamentalist party, the Islamic Salvation Front.

The announcement of the names of all 29 ministers, which included a woman as health minister, occurred at the same time that the Algerian news agency accused the second most important figure in the Islamic movement, Ali Belhadj, of having put into place an armed organization aimed at "destabilizing the institutions of the state."

The accusation could suggest that the army, which is governing Algeria under martial law at least until October and which is also an instrument dominated by the National Front, may be planning on accentuating its confrontation with the fundamentalists, who will be the its principal adversaries in the coming elections.

The cabinet introduced one woman, Dr. Nafissa Lalliam, a noted gynecologist, as minister of health. The move is sure to cause Islamic fundamentalists to frown, even though it is unlikely to lead to any open condemnation of the appointment.

Only six of the 29 ministers chosen by Mr. Ghozali belonged to the former government or were known to have had a political role within the National Front.

—YOUSSEF M.IBRAHIM

UN to Force Iraq to Pay Cost of Its Disarmament

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The UN Security Council, turning aside Iraqi objections, has voted unanimously to force Iraq to pay the cost of eliminating its arsenal of nuclear materials and chemical and biological arms under international supervision.

The decision Monday appeared to lay the groundwork for alleviating financial pressures on the UN-sponsored Special Commission on Iraq, which was assigned several months ago to police Iraqi warmaking capability but given no special UN funding.

The council also approved a resolution setting out guidelines for maintaining a world embargo on arms shipments to Iraq.

Experts have said the costs of eliminating Iraq's weapons of mass destruction may eventually climb as high as $800 million if a special facility must be constructed to eliminate Iraq's arsenal of more than 355 tons of lethal chemicals in bulk storage and more than 11,000 poison gas-filled shells. Iraq has said it can do the work with existing equipment and has opposed any economic penalty.

The UN secretary-general, Javier Pérez de Cuéllar, is to specify within a month whether the costs of the commission's work will be paid from future Iraqi oil revenues or deducted from Iraqi assets in frozen bank accounts.

The Special Commission is sending a team of experts to Iraq this week to help the International Atomic Energy Agency investigate charges by an Iraqi defector that Saddam Hussein carried out secret research on nuclear weapons at a site near Mosul in northern Iraq. The agency's director, Hans Blix, said last week that it also planned to send inspectors to Qaim, where Iraq has acknowledged making yellowcake, which is used in making fissionable materials.

During last month's inspection of Iraqi facilities, at Tuwaitha and a second site, the agency "found evidence of small-scale laboratory experiments in plutonium separation chemistry," Mr. Blix told a meeting of the agency's board. This appeared to confirm prewar Western intelligence estimates that Iraq was attempting to develop the expertise to make a weapon.

Mr. Blix said the agency planned to remove from Iraq any uranium enriched to more than 20 percent and any separated plutonium, both used in weapons.

BAKER: *Vow to Eastern Europe*

(Continued from page 1)

improve Soviet food distribution.

The State Department official said a high-level U.S. delegation that Mr. Bush sent to the Soviet Union to study agriculture came back suggesting some ideas "to make a relatively large difference quickly," such as creating farmers' markets in cities, and providing trucks to small farmers so they could transport produce.

Mr. Baker also listed the $1.5 billion in grain credit loan guarantees approved by Mr. Bush recently as part of the U.S. effort.

He noted that the collapse of totalitarianism had unleashed "old 19th century nationalisms and animosities." These forces "cast shadows over the new democracies" and risk "creating new divisions of Europe" he said.

This was a reference to the ethnic strife that has split Yugoslavia, for example, which Mr. Baker plans to visit later this week.

Earlier, after a festive tour of Halle, the Eastern German hometown of Foreign Minister Hans-Dietrich Genscher, Mr. Baker told a group of dignitaries that the United States would support "the new Germany you are building" and added, "We are an ocean away, but our hearts do reach out to any people that strive for freedom."

HARMONY: *Step-by-Step Plan*

(Continued from page 1)

disintegration of Yugoslavia and some other countries. As a remedy, he proposed Conference initiatives, including "peacekeeping capabilities" to help in ethnic conflicts and also an "open skies" proposal that would allow nations to fly low-level inspections over each other's territory.

● For the Soviet Union, the message was that Western aid must serve to replace the Communist economic system, not to prop it up. "The door to the Euro-Atlantic community is open," he said, "but only the Soviets themselves can decide to step over the threshhold."

● For Americans, Mr. Baker cast a continued U.S. role in Europe as part of a broader strategy for consolidating the spread of pluralistic, free-market systems and thereby reducing the risks of international conflict.

Soviets Open Up Maneuvers

Reuters

TOKYO — The Soviet Union has invited Japan, South Korea, the United States and other Asian-Pacific countries to observe its naval maneuvers in the Sea of Japan from Aug. 14 to 16, Soviet Embassy sources in Tokyo said Tuesday.

CAPITAL: *German Parliament Will Decide Between Bonn and Berlin*

(Continued from page 1)

coverage of the capital question has been unashamedly partisan, and hardly any German newspaper is to be trusted on this issue.

In the minds of many former East Germans, this was never supposed to be a question. The unification treaty between the two Germanys said simply that Berlin would be capital of the new country, a prospect envisioned in the West German Constitution, which made Bonn "provisional capital" during what was hoped would be a short division of war-ravaged Nazi Germany.

Immediately after unification, Berlin was declared capital of the new Germany. But legislators equickly started talking about a separate question: Which city would be the seat of government?

Most East Germans had never even considered the possibility of splitting the functions. A nationwide poll this week found that almost 70 percent of all Germans consider this "Berlin lie" even more of a betrayal than Chancellor Helmut Kohl's deeply unpopular "tax lie," his 1990 campaign promise that taxes would not rise to pay for unification. Only a few months after winning re-election, Mr. Kohl announced the largest tax increase in decades.

For 40 years, West Germany treated Bonn like a temporary government center, housing ministries in old barracks and flimsy structures.

Bonn to this day is a town of 280,000 in which there are no major museums (Berlin has dozens), no hotel that offers viewers CNN (Berlin has almost 20), few ethnic restaurants (Berlin has hundreds), one provincial newspaper (which has tossed its credibility to the winds with stunningly one-sided coverage that led to the dismissal of its editor), and tens of thousands of active and retired civil servants who fear desperately that their homes could lose most of their value overnight.

"To us in the east, Bonn is and will always be the capital of the old West Germany," said Konrad Weiss, a leader of the 1989 East German revolution and now a legislator in the Bündnis 90 party. "Berlin is the obvious choice unless you are completely unable to come to terms with Germany's new role."

Bonn advocates like Thomas Kielinger, editor of the Rheinische Merkur, an opinion weekly, have used everything from European history to climatic data to make the argument that Bonn should keep its status. Mr. Kielinger argues that Bonn has come to represent a Germany that faces west, that has learned to forsake extremism and the eastern adventurism that Berlin symbolized through the first half of this century. Bonn, he argues, means a commitment to Western ties and a liberal democracy.

Berliners counter by saying that Germany needs to reach out to its own east and to Eastern Europe and the Soviet Union, not to reject the West but to serve as a bridge between two worlds.

A powerful majority of Germans want their government to turn the decision over to the people and hold a plebiscite on the question. But the country's constitution has no provision allowing such a vote, and legislators say that would be an abdication of their responsibility. They also fear that the other side would win.

BANG: *Asteroid Alert for Earth*

(Continued from page 1)

than 1,000 one-megaton bombs."

The National Aeronautics and Space Administration is spending somewhat less than $1 million a year to search for Earth-crossing asteroids. To that end, Mr. Gehrels's team at the University of Arizona uses a 36-inch (920-millimeter) telescope on Kitt Peak equipped with an advanced electronic detector.

NASA is also studying the feasibility of nudging them aside. Late this month, it will help sponsor the first International Conference on Near-Earth Asteroids, to be held in San Juan Capistrano, California. Up to 200 scientists are expected to attend.

"There's a good deal of interest," said Clark R. Chapman, chairman of the conference and an astronomer at the Planetary Science Institute, a private nonprofit group in Tucson, Arizona.

Fueling concern, he said, is the rise in dinosaur-extinction studies and asteroid surveys.

"For a long time the problem was known only theoretically," he said. "Now we have hard data." He was referring to lengthening lists of Earth-crossing asteroids.

"The Earth is bound to be hit," he said. "Statistically, it's certain. It's unlikely that a really large asteroid will hit in our lifetime, but it's not beyond the pale."

"The risk of death," he added, "is higher per person than a jet airplane crash."

And the risk is high enough, he said, to suggest that action should be taken.

The American Institute of Aeronautics and Astronautics, a society of professional engineers based in Washington, agrees.

"We would be derelict if we did nothing," it said last year.

A Faster, Cheaper Test For AIDS in Infants

By Lawrence K. Altman
New York Times Service

FLORENCE — A rapid new test can reliably detect the AIDS virus in infants as young as 3 to 6 months and more cheaply than existing tests can, scientists reported at an international meeting Tuesday.

The test should lead to earlier treatment of infected infants and potentially longer survival, said Dr. Thomas C. Quinn, who reported on a study that his team from the National Institutes of Health and Johns Hopkins University in the United States carried out on babies born in Baltimore and Port-au-Prince, Haiti.

Participants greeted the report with enthusiasm.

The faster test detects an immune protein known as IgA. The protein is formed only by an infected infant and not by an infected mother.

Evidence of the AIDS virus among older children and adults is based on another test, which detects a related immune protein that is passed through the placenta and that persists in an infant for up to 15 months.

Children with AIDS often die by age 5 in the United States and at a younger age in developing countries. The number of HIV infections is rising among women and infants in developing countries.

Although doctors know how to treat AIDS in children, they are often forced to make educated guesses about whether a child born to an HIV-infected mother is infected, Dr. Quinn said.

The reason is that routine tests for evidence of HIV in adults and older children do not work in infants. Moreover, such tests are up to eight times as expensive as the one for IgA.

Such tests detect particular proteins in the immune system known as IgG antibodies, which are produced in response to invading microbes.

Because tests cannot distinguish between the IgG produced by an infant and that produced by the mother, positive IgG tests in infants do not necessarily mean that an infant is infected.

The new test for IgA detects actual HIV infection in infants, Dr. Quinn said.

Iranian Pilgrims Hold a Peaceful Protest in Mecca

Reuters

NICOSIA — Iranian pilgrims shouting "Death to America!" and "Death to Israel!" held a peaceful rally Tuesday in the Muslim holy city of Mecca, Tehran radio reported.

The radio said lines of demonstrators, including non-Iranians, extended 3 kilometers (2 miles) in front of the Iranian headquarters at the Hajj pilgrimage.

It was the first such protest since since 1987, when a rally turned into a riot and more than 400 people, mostly Iranians, were killed in clashes with Saudi security forces.

The radio reported no unexpected incidents at the rally, which was seen as a test of Iran's new attitude of compromise after years of confrontation with conservative Gulf Arab states. It said the demonstrators had carried portraits of Ayatollah Ruhollah Khomeini, the former spiritual leader of Iran, and of his successor, Ayatollah Sayed Ali Khamenei.

It added that final agreement on the site was reached at a meeting between the Iranian and Saudi foreign ministers on Tuesday morning only hours before the rally started.

WORLD BRIEFS

Children of Smokers Found at Risk

WASHINGTON (AP) — Children who live in households with smokers are much more likely to be in fair or poor health than are children never exposed to cigarette smoke, a U.S. government study reported Tuesday.

The study, by the National Centers for Health Statistics, found that 4.1 percent of children in households with smokers were in fair to poor health, compared with 2.4 percent of children never exposed to tobacco smoke.

About half of all children in the United States who are 5 years old or younger have been exposed to cigarette smoke, according to the study. More than one-quarter of all children in this age group were exposed to smoke both before and after birth.

Kuwait Court Sets 7 Death Sentences

KUWAIT (Reuters) — A martial law court sentenced seven stateless Arabs and an Iraqi national to death Tuesday for having collaborated with Iraqi forces during their occupation of the country.

Six of those who were sentenced remained at large and are stateless Arabs.

A total of 21 people have been sentenced to death by hanging since the martial law courts began trying hundreds of people last month on charges of having collaborated with the Iraqis.

British Send More Troops to Ulster

BELFAST (Reuters) — Britain announced Tuesday it had sent 500 additional troops to Northern Ireland to combat IRA attacks during peace talks.

The talks, aimed at returning Northern Ireland to self-government after 17 years of direct rule from London, went into a second day with Protestants and Catholics acknowledging the talks were behind schedule. The former Australian governor general, Sir Ninian Stephen, chosen as independent chairman for the next stage of talks, may not be called in now until September.

The Irish Republican Army, battling to oust Britain from Northern Ireland, has stepped up its gun and bomb attacks since the process began. The new contingent brings the total of British troops in the province to 17,000. The Northern Ireland police force totals almost 13,000.

Austrian Rightist Is Urged to Resign

VIENNA (AP) — The government demanded Tuesday that Jörg Haider, leader of the rightist Freedom Party, resign as governor of Carinthia Province for comments deemed "an affront" to millions of victims of the Nazis. It was the first time in postwar Austria that the federal government had censured a provincial governor.

Mr. Haider caused a storm Thursday when he said in the provincial parliament, "They had a proper employment policy in the Third Reich." He was speaking during during a debate on labor policy in which Social Democratic members had criticized his demand that hiring of foreigners be strictly limited.

The resolution adopted Tuesday by the coalition cabinet of Austria's Social Democratic chancellor, Franz Vranitzky, is not binding. Mr. Haider can be removed from office only by a vote of no confidence brought in the Carinthian legislature, where the Freedom Party and its allies hold a slight majority. He has categorically refused to step down.

TRAVEL UPDATE

EC Approves Eased Customs Rules

BRUSSELS (Reuters) — European Community ministers agreed Tuesday to remove most customs controls on baggage for air and sea travel among the 12 member nations states.

The rules, which must be reviewed by the European Parliament, would take effect on Jan. 1, 1993. They include exceptions for trips that begin or end outside the EC, and for recreational boats. They would not affect anti-terrorist and other security checks.

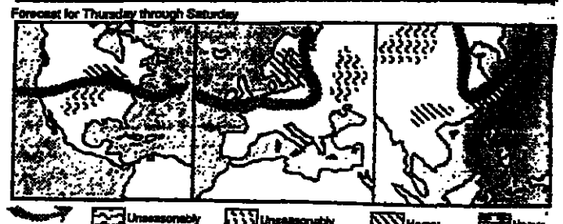
Belgian customs controllers, trying to safeguard employment after the EC sheds its internal trade borders, continued a slowdown Tuesday, creating long traffic jams. *(AP)*

Athens residents were advised to stay indoors on Tuesday and to use cars as little as possible amid record air pollution in the capital. A government statement said ozone levels reached 393 milligrams per cubic meter of air, a new high in Athens. *(Reuters)*

The Dutch legislature voted Tuesday to increase gasoline taxes, which will raise pump prices by 15 percent. A Finance Ministry spokesman said, "We are putting up the taxes for financial and environmental reasons. We hope it will persuade people to use their cars less." *(Reuters)*

The Weather

Forecast for Thursday through Saturday



North America

Heat will control the weather in the middle of the United States at the end of this week. The northeastern part of the country will be very warm and muggy, but there will be a few showers and thundershowers. Los Angeles will be partly sunny.

Europe

Eastern Sweden to the northwestern USSR will have rainy, cool weather Thursday into Friday. The western USSR from the Ukraine to the Urals will be hot Thursday into Saturday. Thunderstorms will bring scattered relief from the heat.

Asia

Warm, humid weather from Hong Kong and Taipei to Tokyo will include a downpour every now and then Thursday through Saturday. Korea and northern China will have some warm sunshine. Steamy air over Southeast Asia will spark scattered downpours.

Europe

	Today High C/F	Low Wx C/F	Tomorrow High C/F	Low Wx C/F
Algarve	29/83	19/66 s	31/87	19/67 s
Amsterdam	17/63	10/50 c	17/62	10/50 c
Athens	25/77	17/63 pc	25/77	17/63 pc
Barcelona	28/79	17/63 s	28/83	18/64 s
Belgrade	22/71	13/55 sh	24/75	13/55 c
Berlin	16/60	8/47 pc	15/59	8/47 pc
Brussels	17/63	10/50 c	18/64	10/50 c
Budapest	17/62	11/51 sh	16/61	10/50 sh
Copenhagen	18/64	10/50 sh	18/64	11/51 sh
Costa Del Sol	32/89	16/61 pc	34/93	17/63 s
Dublin	19/67	11/51 pc	19/67	11/52 c
Edinburgh	17/63	10/50 sh	17/63	11/51 pc
Florence	21/69	11/52 sh	20/68	11/51 c
Frankfurt	17/62	9/48 pc	18/61	9/48 pc
Geneva	17/63	10/50 pc	16/60	9/48 pc
Helsinki	18/65	11/51 r	19/66	11/52 pc
Las Palmas	26/79	18/65 pc	27/80	19/66 pc
Leningrad	19/66	9/48 r	20/68	10/50 c
Lisbon	27/81	18/66 s	29/84	19/67 s
London	18/64	9/48 sh	18/65	10/50 pc
Madrid	28/78	10/50 s	29/82	11/52 s
Milan	19/66	9/48 pc	18/65	9/48 c
Moscow	27/80	17/62 pc	28/78	16/60 pc
Munich	16/61	10/50 sh	16/60	9/48 pc
Nice	19/67	11/51 pc	20/68	11/52 c
Oslo	18/64	9/48 r	17/63	9/48 c
Paris	18/64	9/48 sh	19/67	9/48 s
Prague	16/60	10/50 pc	15/59	9/49 pc
Reykjavik	13/56	10/50 pc	14/57	11/51 pc
Rome	21/70	14/57 t	22/72	14/57 pc
Stockholm	13/56	10/50 r	15/59	10/50 pc
Strasbourg	18/65	9/48 pc	18/65	10/50 pc
Venice	21/69	13/55 sh	20/68	12/54 c
Vienna	14/57	9/48 c	16/61	9/48 pc
Warsaw	17/62	7/44 pc	16/61	7/44 sh
Zurich	17/62	8/47 pc	16/61	8/46 pc

Middle East

Ankara	24/75	12/53 pc	24/75	11/51 pc
Beirut	28/82	17/62 pc	29/84	18/64 pc
Cairo	33/92	21/69 s	33/91	20/68 s
Damascus	28/83	16/61 s	28/84	16/60 s
Istanbul	24/75	12/54 pc	24/75	13/55 t
Jerusalem	31/87	16/61 s	30/86	16/60 s
Riyadh	43/109	28/82 s	42/108	27/81 s

Oceania

Auckland	18/64	15/59 pc	17/62	14/57 pc
Sydney	20/68	8/46 sh	21/69	10/50 c

Asia

	Today High C/F	Low Wx C/F	Tomorrow High C/F	Low Wx C/F
Bangkok	32/89	25/77 pc	33/91	25/77 pc
Beijing	22/72	18/60 pc	34/75	17/62 pc
Hong Kong	32/90	24/75 sh	33/91	23/74 pc
Manila	34/94	24/75 pc	35/95	25/77 pc
New Delhi	38/100	25/77 pc	38/100	25/78 pc
Seoul	21/69	17/62 sh	23/73	17/62 pc
Shanghai	26/79	18/64 pc	28/82	18/64 pc
Singapore	32/89	24/75 pc	32/89	24/75 t
Taipei	32/90	23/73 r	33/92	23/74 pc
Tokyo	29/84	18/64 pc	28/82	18/64 pc

Africa

Algiers	23/74	17/62 pc	23/74	17/63 pc
Cape Town	19/66	8/46 pc	18/64	8/46 pc
Casablanca	33/91	16/61 pc	30/86	17/62 pc
Harare	27/80	13/55 pc	24/75	10/47 pc
Lagos	34/93	26/79 pc	30/86	25/77 pc
Nairobi	23/73	14/57 pc	22/72	14/58 s
Tunis	29/84	21/69 pc	29/84	21/69 pc

Latin America

Buenos Aires	19/66	9/48 pc	18/64	8/46 pc
Caracas	26/79	21/70 pc	28/84	24/75 pc
Lima	21/70	17/62 pc	21/70	16/60 pc
Mexico City	24/75	14/58 t	23/73	14/58 pc
Rio de Janeiro	28/82	18/65 t	27/80	18/67 pc

North America

Anchorage	14/58	8/46 sn	13/55	7/44 sn
Atlanta	31/87	21/70 t	28/82	22/71 t
Boston	28/79	18/65 c	29/84	19/66 pc
Chicago	32/90	19/66 s	31/87	17/62 t
Denver	34/93	16/60 pc	31/87	17/63 t
Detroit	32/90	18/64 s	31/89	18/66 pc
Honolulu	29/83	22/71 sh	29/84	23/73 sh
Houston	33/92	22/72 pc	33/91	23/74 pc
Los Angeles	24/76	15/59 pc	21/70	16/60 sh
Miami	32/90	25/77 t	33/91	25/77 pc
Minneapolis	29/85	19/66 t	28/82	19/67 pc
Montreal	30/86	18/61 pc	28/82	19/67 pc
Nassau	33/92	22/72 t	33/91	23/73 t
New York	28/82	20/68 t	31/88	21/70 pc
Phoenix	43/109	29/79 s	43/109	28/77 s
San Fran	19/66	11/51 pc	20/68	11/51 pc
Seattle	22/72	12/54 pc	21/70	13/55 pc
Toronto	29/84	18/65 pc	29/84	17/63 pc
Washington	31/88	21/70 t	33/91	22/72 pc

Middle East

Ankara	24/75	12/53 pc	24/75	11/51 pc
Beirut	28/82	17/62 pc	29/84	18/64 pc
Cairo	33/92	21/69 s	33/91	20/68 s
Damascus	28/83	16/61 s	28/84	16/60 s
Istanbul	24/75	12/54 pc	24/75	13/55 t
Jerusalem	31/87	16/61 s	30/86	16/60 s
Riyadh	43/109	28/82 s	42/108	27/81 s

Oceania

Auckland	18/64	15/59 pc	17/62	14/57 pc
Sydney	20/68	8/46 sh	21/69	10/50 c

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hoe.

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Philippine Rebels Agree to a Truce Around Volcano

Compiled by Our Staff From Dispatches

MANILA — The military has agreed to a cease-fire with communist guerrillas in areas affected by eruptions of Mount Pinatubo, the armed forces chief said Tuesday.

A truce would enable the government to concentrate on helping victims of the eruptions and cleaning up the damage it has caused, said the armed forces chief, General Lisandro Abadia. He said the military had not yet identified the areas where a cease-fire could be declared.

President Corazon C. Aquino welcomed the rebels' truce offer, saying it would allow relief and rescue operations to get under way.

Mount Pinatubo has spewed debris over a wide area of the northwestern Philippines, killing 207 people, burying houses and damaging crops in four provinces.

Some 200,000 Filipinos have been forced from their homes, many of which collapsed under the weight of rain-soaked ash.

The United States is evacuating 20,000 dependents of American servicemen from the Philippines because of the eruptions.

Four transport planes took off from the central Philippine city of Cebu for Guam and Japan on Tuesday. It was the second day of evacuating American families from the Subic Bay Naval Base, which has been damaged by mud and rock from the volcano.

The aircraft carriers Abraham Lincoln and Midway were leading a naval task force that was shipping the Americans from Subic Bay to Cebu for the flights.

The evacuation from Cebu was ordered after huge ash clouds from Pinatubo forced the closure of the Manila airport.

A U.S. Embassy spokesman, Stanley Schrager, said 5,000 people had been evacuated.

"We will continue that process for several days until we get all 20,000 out," he said.

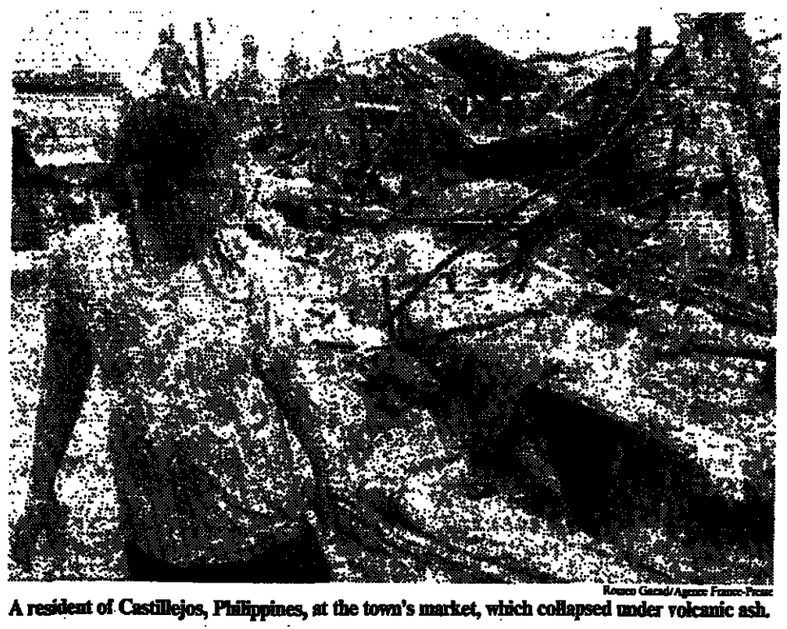
The departing Americans told of apprehension as they sheltered inside the Subic Bay base, 80 kilometers (50 miles) north of Manila, as Pinatubo rained down rock and ash and unleashed a series of earth tremors.

Dozens of buildings at the base collapsed from the weight of volcanic debris showering down on them. A 9-year-old American girl was killed.

Scientists said the volcano appeared to be calming. But at least three minor earth tremors were recorded Tuesday, and a small eruption dumped fresh ash on Clark Air Base, which is 15 kilometers east of Pinatubo.

A series of explosions Saturday collapsed sections of the 1,450-meter (4,800-foot) volcano, which sprang to life June 9 after lying dormant for more than 600 years.

(Reuters, AP)



Rouxo Gacad/Agence France-Presse

A resident of Castillejos, Philippines, at the town's market, which collapsed under volcanic ash.

■ Japan Volcano Acts Up

Mount Unzen in Japan spewed ash as high as 2,000 meters in at least five eruptions Tuesday, an observatory official told The Associated Press in Tokyo.

There were no reports of new casualties or damage, said Hiroshi Miyata of the Unzen Observatory. The volcano, which is on the southern island of Kyushu, killed 39 people June 3 with an eruption of ash, hot rocks and superheated gas.

Ash blew again into Obama on Tuesday after blanketing the town on Monday for the first time this year.

Pretoria Sanctions: U.S. Split

By Helen Dewar
Washington Post Service

WASHINGTON — Senator Richard G. Lugar, who played a major role in imposing U.S. sanctions against South Africa in 1986, said Tuesday that the United States should move to lift them if it determined that South Africa's repeal of its Population Registration Act met U.S. conditions.

The law, which registered race at birth, was the basis of apartheid.

But s State Department spokesman, Richard A. Boucher, although hailing repeal of the law as a "positive act," said South Africa still had to release all political prisoners before the United States could lift the sanctions.

The spokesman said the South African government had met four of the five conditions Washington set for lifting sanctions.

"The only condition remaining to be met is the release of all persons persecuted for their political beliefs or retained unduly without trial," he said. "This is a process which is still under way."

Senator Edward M. Kennedy, Democrat of Massachusetts, another key player in the 1986 push for sanctions, said it would be "a mistake to use this step as a pretext to end U.S. economic sanctions."

"U.S. pressure against the apartheid regime is clearly working and it would be premature to change course now," he said.

While Senator Lugar, Republican of Indiana, did not advocate lifting the sanctions before the law's requirements have been fulfilled, he said in an interview, "We're coming to the point where we'll want to evaluate whether they've met the criteria."

He said the first step should be an evaluation based on reports from the U.S. Embassy in Pretoria. "My presumption is they're pretty close if they haven't actually met the criteria," Mr. Lugar said. "We've gained our point."

The 1986 law specified that release of the African National Congress leader, Nelson Mandela, and all other political prisoners was an absolute prerequisite to lifting or suspension of the sanctions.

In the case of other criteria, including repeal of the Population Registration Act and the Group Areas Act, which was repealed earlier this month, it provided that only three of four conditions had to be met for ending the sanctions.

Mr. Mandela was released last year, and Mr. Boucher said Monday that more than 1,000 prisoners had been freed. Estimates of political prisoners in custody range from hundreds up to several thousand.

■ Japan to Ease Curbs

The Japanese Foreign Ministry said Tuesday that Tokyo would soon lift some of the strict sanctions it imposed against South Africa but would leave economic restrictions in place until further steps to dismantle apartheid, Reuters reported from Tokyo.

Apartheid Beginning to Be Erased

Reuters

CAPE TOWN — South Africa began Tuesday to dismantle the bureaucracy for race classification, giving practical effect to a crucial political change that analysts see as a new challenge to Nelson Mandela's African National Congress.

An aide said President F. W. de Klerk would sign the repeal of the 1950 Population Registration Act into law later this week, possibly on Thursday. The act was repealed on Monday by Parliament.

The Home Affairs Ministry spokesman, Jack van der Merwe, said officials were already reprogramming computers that had previously rejected a birth registration form that did not list the race of the mother, father and child.

Congratulations on South Africa's move to do away with apartheid, came from the United States, Japan and several European countries including Britain.

A Johannesburg newspaper, The Citizen, called the repeal "a turning point in our history" and echoed Mr. de Klerk's appeal to the ANC, the country's main black group, to move from protest politics to party politics. "Now the slate has been wiped clean we must have reconciliation, we must have tolerance," the paper said.

AMERICAN TOPICS

VMI May Remain All-Male, Judge Rules

A U.S. district judge has ruled that Virginia Military Institute may continue admitting only men even though it is tax-supported. After a six-day trial in Roanoke, Virginia, Federal Judge Jackson L. Kiser said that "a distinctive, single-sex educational opportunity is more important than providing an education equally available to all." Judge Kiser, a 1982 appointee of the Reagan administration, said, however, that he expected the issue would ultimately be resolved by the U.S. Supreme Court.

The U.S. Justice Department had brought the sex-discrimination case against 152-year-old VMI, alma mater of the World War II army chief of staff, General George C. Marshall. Although many private colleges exclude one sex or another, VMI and the Citadel, a military school in Charleston, South Carolina, are the only state-supported institutions that refuse to admit women.

When the governing board of Mills College in Oakland, California, voted 13 months ago to go coeducational, many of the women enrolled there staged a two-week strike that successfully put pressure on the board to reverse itself.

Ellen Vargyas, senior counsel with the National Women's Law Center, said of the VMI decision, "It's an outrage." She added: "This comes on the heels of the Persian Gulf war, where women performed admirably, where women were killed, where women were prisoners. And this court says blatant discrimination against women is all right."

Short Takes

Arriving passengers at U.S. international airports are in for waits of 20 to 30 minutes, and far longer at peak periods, because immigration officials are inspecting every passport, American or foreign. Previously, only spot checks were made of U.S. passports. With criticism growing, spot checks are being at least partly restored. In the long run, technology is expected to solve the problem. Some airlines already use a system that electronically transfers data on passengers, while they are still airborne, to the immigration service.

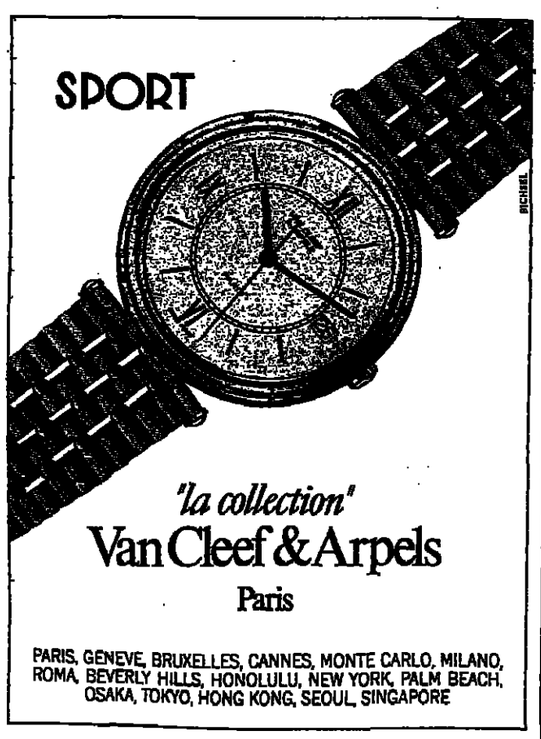
Because a drunken driver paid a $35 traffic ticket, he cannot be convicted of manslaughter for a motorist's death, a Maryland appeals court has ruled. It said that in paying the ticket, the driver, John C. Glasser, was convicted of the conduct that resulted in the accident and could not be convicted of the same offense a second time.

One in five single women aged 25 to 34 lives at home, but one in three single men of the same age does, according to the U.S. Census Bureau. Even if "mom nags a little and dad scowls a lot," The New York Times says, "demographers speculate that men find living at home more attractive than women do because they are less skilled at setting up their own households, enjoy the pampering of their mothers and suffer virtually no loss of independence." And "there's money left at the end of the month for the car payments."

Listening in on other people's cellular phone conversations is illegal in most states, but it has become a telecommunications problem comparable to using computers to tap data bases illegally. Cellular phones are "very easy to tap into," says Jagdish T. Gajjar, a professor of electronic communications at Union College in Schenectady, New York. But the next generation of cellular telephones will compress several calls into a single channel, making interception extremely difficult.

Gem of the Day from the Ann Landers advice column: "At every party there are two kinds of people — those who want to go home and those who don't. The trouble is, they are almost always married to each other."

Arthur Higbee



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Aid Can Be Disarming

There is a big reason for the West to think hard about giving economic assistance to the Soviet Union: Moscow's military spending. Even as the Soviets seek billions in aid, they maintain the largest army in the world, devote an extravagant share of their shrinking gross national product to defense and continue to modernize nuclear forces. That is why Defense Secretary Dick Cheney and others would condition aid on deep cuts. But that might well do more harm than good. Most likely, it would undercut pressures inside the Soviet Union that are already forcing military cutbacks and would strengthen the hand of hard-liners who oppose East-West cooperation.

Moscow's defense budget is of less concern than its military power. Spending is actually slowing. But the Soviet Union has considerable military potential and a nuclear arsenal that could demolish the United States. The task is to assure that these capabilities pose no threat. That requires the ultimate conversion — turning the Soviet Union into a satisfied power, perhaps like France, whose nuclear arms seem utterly unthreatening.

Aid, and the economic engagement that accompanies it, could do just that. They would demonstrate goodwill when the Soviet people need it most. And they could spur Moscow to spend more on the better things in life and less on arms.

Even now, internal pressures are sapping Soviet military strength. Moscow still has all its tanks, but the treaty on conventional forces in Europe obliges it to spend money dismantling at least 7,500 of them. Draft calls go unanswered, not only in a few independence-minded republics but elsewhere as well. Last fall, 22 percent of those called up did not report for duty. A divided officer corps and troops who cannot be counted on to obey orders leave the Red Army in no shape to menace its neighbors in the foreseeable future.

True, Moscow's nuclear modernization continues. But the Soviets are building fewer bombers and missiles than U.S. intelligence anticipated, and the pending strategic arms treaty will oblige it to cut what it has by a third. The reason Moscow is adding to its small strategic bomber force is that the treaty, at U.S. insistence, makes it advantageous to do so by discounting warheads on bombers.

The Soviets' new SS-25 missile could actually make the nuclear balance less precarious. With its single nuclear warhead, it poses less of a threat than multi-warhead missiles. And because its mobility makes it capable of surviving, Moscow need not launch it at the first signs of attack.

Tying economic aid to deeper cuts could easily slow the process. Moscow's military-industrial complex would see such demands as blackmail, and stiffen its resistance to economic reform. It would accuse Mikhail Gorbachev of selling out to the West and weakening the Soviet Union. Better to leave the condition implicit and let the country's economic transformation force a reduction in defense spending, as it inevitably must.

This is surely a calculated risk, yet Americans can count on those Soviets who appreciate two political facts of life. One is that a reforming Soviet Union cannot afford to allocate as much to defense. The second is that a Soviet Union that fails to reform — and fails also to make measurable cuts in military spending — cannot indefinitely count on Western assistance.

— THE NEW YORK TIMES.

Defending Democracies

The Organization of American States, a consultative body often dismissed as a forum used just for talk, is in a phase of serious achievement. Part of it springs from the fact that for the first time in its four decades, all (34) member governments are democracies with a claim to electoral legitimacy. Another part arises from the steady expansion of the organization's energy and agenda, notably in human rights, election monitoring and development issues, under Secretary-General João Clemente Baena Soares of Brazil. A third part comes from U.S. attention to the particular requirements for tact in dealing with Latin and Caribbean states, which commonly have recurrent instances of U.S. muscle-flexing, real and imagined, on their minds.

These threads came together in a notable political initiative at the recent meeting of the OAS General Assembly in Chile. A new automatic mechanism was created for convening the Western Hemisphere's foreign ministers to respond within 10 days to a coup or other "interruption" of a legitimate elected government. Such a step could not have been taken while the OAS was split between representative and unrepresentative governments, as it was before U.S. forces ousted Manuel Noriega in Panama. But once he was gone, Andean democracies, supported by Washington, proposed breaking relations when a government is removed by force. Mexico, sensitive to any suggestion of empowering a foreign jury, demurred. A compromise, providing for the secretary-general to invoke high-level consultation but leaving policy options open, carried the day.

The social conditions and institutional safeguards that would ensure the permanence of Latin and Caribbean democracies are not everywhere in place. This means that at some point the new OAS mechanism is likely to be tested. It could happen, as many hope, that the certain knowledge of having to face a collective of their peers will deter some would-be coup makers, drug kingpins or guerrilla commanders. If deterrence didn't work, the assembled foreign ministers would then be on the spot to act. That the member states would set themselves this difficult challenge is a good measure of the prevailing devotion to democracy in Latin America today. The OAS deserves recognition for stepping up to this problem.

— THE WASHINGTON POST.

Limousine Loophole

Seneca said it 19 centuries ago: "He is most powerful who has power over himself." John Sununu, George Bush's much-traveled chief of staff, dilutes his own vast power by his consummate lack of self-control.

Mr. Sununu embarrassed his boss — and, one can only hope, himself — with his misuse of Air Force jets for trips to ski resorts and his Boston dentist. In the six weeks since those abuses were disclosed, he has been on a leash, sort of. New rules require that he clear his flight plans with White House counsel Boyden Gray in advance. So what does Mr. Sununu do for his personal trips now? He finds a loophole.

The latest dubious entry in his log is a trip last Wednesday from Washington to New York City. For a stamp auction. In a White House limousine. Asked if Mr. Gray had approved, the chief of staff replied self-righteously, "I don't have to check in advance for my automobile travel."

Mr. Sununu explains that he was "on the phone constantly" from the back seat, talking with cabinet members, senators, congressmen and White House staff on "issues that needed immediate response." His ability to be in touch at all times, he asserts importantly, "is in the national interest." That is stretching a thin argument past the breaking point. True, the president's right-hand men, Mr. Sununu and Brent Scowcroft, the national security adviser, should not be where no one can reach them for any great length of time. Yet Mr. Sununu himself, on arriving in New York last week, sent the commandeered limousine back to the White House garage empty, and flew home on a corporate jet without telephoning anyone for a whole hour. The republic survived.

— THE NEW YORK TIMES.

Other Comment

South Africa: What Next?

The repeal of the last apartheid laws is, as President de Klerk proudly told Parliament, the end of an era. He is already looking to what is to be built in the new era to follow. It is an era of some uncertainty.

The old order has changed irreversibly. The repeal of the Population Registration Act is the culmination of a parliamentary session in which other apartheid measures have gone, notably the Group Areas and Land Acts. It is only 18 months since government could envisage a South Africa without these laws. Now President de Klerk proclaims the country free of statutory apartheid and the injustice which institutionalized racism brought with it.

President de Klerk's new South Africa will not be built overnight, not least because those whose help he must have are not ready to start construction. He says he is in a hurry, but nobody seems willing to put that declaration to the test. Constitutional negotiations are some time off. Talks about talks are still to come. So is the political power-play. The real bargaining does not start until we pass the stage of non-negotiables and demands on which there can be no compromise.

All this leaves the country, its businessmen and potential investors in something of a quandary. Statutory apartheid has gone, but there is no indication of what will replace it. There is not even any indication of when the politicians will start considering negotiating a new order. A political vacuum is developing. It is going to be a difficult time for citizens wondering how they will be ruled and businesses unsure how they might be regulated.

— Business Day (Johannesburg).

Germans and Poles

There could not have been a better symbol of the fact that the great majority of Germans supports reconciliation with Poland than to have Willy Brandt standing beside Helmut Kohl at the signing ceremony [of a border treaty]. Germans are interested in stability in the East. The Poles know, as Prime Minister Bielecki repeated in Bonn, that their way to Brussels leads "through Germany." Complementary interests have always benefited good neighborliness.

— Süddeutsche Zeitung (Munich).

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel 472-7768. Tlx RS56928 Mng. Dir. Asia, Rolf D. Kranepuhl, 50 Gloucester Rd., Hong Kong. Tel. 8610616. Telex: 61170 Mng. Dir. U.K., Garry Thorne, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009 Gen. Mgr. Germany: W. Lautterbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel. (069) 726755. Tlx: 416721 Pres. U.S.: Michael Carney, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex 427175 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

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OPINION

For an International 'Bank' to Curb the Spread of Arms

By Alton Frye

NEW YORK — The Gulf war has triggered a renewed effort in the United States and abroad to curb the proliferation of modern conventional weapons.

Suddenly, proposals for restrictions are everywhere. Members of Congress urge an outright moratorium on arms sales; Prime Minister John Major of Britain wants an international register to track such sales. President George Bush presses for supplier guidelines to cut arms exports to the Middle East, and a ban on weapons of mass destruction and surface-to-surface missiles. France will host a meeting of major weapons producers; the Soviet Union and China, with perhaps the biggest stake in hard-currency earnings from arms exports, will attend.

The rhetoric is welcome, but the message is mixed. While urging restraint on weapons sales, the Bush administration supports "the legitimate need of every state to defend itself." Israel will get more F-15 warplanes; Apache helicopters are promised to Arab governments. China resists joining the Missile Technology Control Regime and fudges on earlier pledges by arranging missile sales to Pakistan and Syria.

Despite their concern, the governments that have armed the world — mainly the five permanent members of the United Nations Security Council — know that neither unilateral restraint nor a total ban on arms sales will work. Mr. Bush rightly perceives these difficulties, but talk of "a general code of responsible arms transfer" does not inspire confidence. Real progress can be made only when we recognize the harsh realities of regional rivalry — and take concrete steps to deal with them. A combination of deterrents and incentives can modify the behavior of arms suppliers and buyers. The main elements of this strategy are:

It would help promote regional stability by providing deterrents and incentives for the buyers and sellers of advanced weaponry.

- Adopting a "maintenance only" policy by suppliers that would allow arms-buying countries to replace current weapons with comparable — but not more capable — systems.
- Making international economic assistance conditional on reductions in recipients' defense budgets.
- Strengthening collective security arrangements, such as the coalition that thwarted Iraq's aggression.
- Setting up machinery to prevent the spread of the most lethal weapons, conventional and nonconventional.

The effort must focus on the most destructive and dangerous systems: surface-to-surface missiles, advanced aircraft, munitions, tanks and artillery.

To reinforce that effort, the World Bank, the International Monetary Fund and other lenders must no longer ignore the outrageous diversion of resources by Third World nations from development needs to defense extravagance. Capping military outlays in such countries could free tens of billions of dollars annually for economic development. By concurring with a "maintenance-only" standard, the aid providers would bolster regional stability and advance their economic objectives.

The successful UN-backed Gulf war coalition is a crucial confidence-builder. And the long-ignored UN Military Staff Committee should be energized to help in future crises. A UN standby force ought to be established for prompt intervention against aggressors. Credible effort here can deter the next Saddam Hussein and encourage other countries to take the risk of limiting their arsenals.

None of these measures will suffice, however, so long as decisions about arms sales depend on the calculations of individual governments. Multilateral consultations can help, but a potent regime to control arms traffic requires an organization dedicated to that mission.

What would such an institution be and what would it do? Let's call it the International Bank for Arms Regulation, or IBAR. It would promote regional stability by manipulating the incentives of both buyers and sellers of advanced weaponry. Its members would include as many of the major arms-exporting nations as possible.

IBAR would have two essential features and two essential functions. It would need pledges from governments and/or international financial institutions, permitting it to draw funds, as needed, up to perhaps $10 billion. And it would need the commitment of members to provide access to their production lines for acquisition of specified weapons at cost. The bank would have right of first refusal for any weapons available for export, but it could not preempt items produced for the country's own forces.

IBAR would specify weapons most likely to undermine stability in troubled regions — ballistic and cruise missiles, supersonic aircraft, sophisticated artillery and tank guns, "stealthy" technologies, "smart bombs" and other modern munitions. Regarding such weapons the Bank would broadcast two messages:

- If would-be buyers attempt to acquire specified systems, IBAR would make available to neighboring states comparable weaponry at discount or even no cost.
- If producers try to sell such weapons, IBAR would undercut the deal by offering buyers similar systems at cheaper prices.

Thus IBAR would work to deny strategic advantage to countries attempting to introduce destabilizing systems into their region and to deny commercial advantage to makers of such arms. The scheme could do what the present anarchic arrangement cannot accomplish. Make clear in advance that there will be no profit in carrying the arms competition to a higher stage of technology.

IBAR's standards should be global and public, although in practice it could choose to intervene selectively. It could do so either from information acquired from the proposed international arms-sale registry or in response to a petition by a nation that felt threatened by a neighbor's procurement of new weapons.

This sketch does not address the many tough questions IBAR would have to resolve: Which weapons are destabilizing? What about the upgrading of existing systems? Would the regime stimulate national arms industries? Such problems arise with any program to restrain arms proliferation. But if supplier nations are serious about coping with them, IBAR offers a distinctive approach.

Suppliers and buyers would have to yield a degree of independence. Even framing such a plan would force governments to choose between imposing multilateral discipline and facing more calamities spawned by unchecked regional arsenals.

Although the spread of nuclear weapons looms as the most serious threat to global security, that menace cannot be curbed unless conventional arms are brought under control.

That linkage is apparent in the Middle East. Israel's neighbors demand control of its nuclear capabilities, but Israel feels compelled to be ambiguous on that subject until it is sure that Arab states will not field overwhelming conventional forces.

The shock of Scud-missile attacks demonstrated the folly of entrusting Israeli security to unregulated competition in advanced weaponry; unhappily, it also whetted Arab appetites for missiles as the weapons most feared by Israelis.

IBAR could help catalyze a bargain in the Middle East and elsewhere that would address both nuclear and conventional dimensions of the regional balance.

If governments are to contain the spread of conventional arms, they must capture the incentives of both buyers and sellers. IBAR could be the cage that would allow them to do so.

The writer is senior fellow for national security at the Council on Foreign Relations. He contributed this comment to The Washington Post.

A Democratic Brazil Would Save the Yanomami

By Terence Turner

CHICAGO — The battle to save an Indian people in Brazil's rain forest has turned into a fight to save Brazilian democracy.

In a dramatic gesture on Brazil's Day of the Indian, in April, President Fernando Collor de Mello announced he was revoking decrees issued in 1988 that had taken the land of Yanomami and made it available for mining. But those who had been following the situation viewed Mr. Collor's statement with skepticism. After all, the move came 18 months after the Brazilian courts had declared the decrees illegal.

In the same speech, the president postponed for six months giving the Yanomami legal title to the land, in order to allow the government to restudy the question of the boundaries of the Indians' country. This hardly seemed necessary. In 1985 the government, after a thorough study, had officially marked the borders.

The ambiguities of Mr. Collor's statements reveal the extent to which Brazil is still dominated by the military and business forces identified with the military dictatorship that yielded power before 1985. Despite euphoria after his election in March last year, Mr. Collor has been unable to carve out a policy independent of these interests and has been politically weakened by the collapse of his free market economic program.

The struggle over the Yanomami land represents a challenge by the old forces to the constitutional authority of the new democratic regime.

This challenge is embodied in a vast clandestine military project, Projeto Calha Norte (Northern Headwaters), that places northern Brazil — 15 percent of the country — under military control. This is land that would be returned to the Yanomami under the court order.

Secretly approved by then President José Sarney in 1985, the largely secret project is aimed at reshaping environmental and Indian policies in the interests of "national security." This means, in principle, massive exploitation of the natural resources of Amazonia to support the development of the rest of Brazil.

Such a move would certainly force assimilation of the Yanomami through the settlement of their land by other Brazilians.

The gold rush of thousands of miners made possible by Mr. Sarney's decrees has already seriously damaged the Yanomami. The outsiders brought an epidemic of malaria, and destruction of the Yanomami's forest habitat has led to starvation.

The Yanomami are dying at a rate that would annihilate their entire population (almost 10,000 in 1986) within the next 10 years. Many of their communities have already lost all the children, and fertility rates have dropped dramatically. The federal prosecutor of Brazil has denounced the government policies responsible for this tragedy as "genocidal."

The Sarney decrees, which gave rise to this situation, were clearly unconstitutional under Brazil's 1986 democratic constitution, which guarantees to indigenous people the land necessary to sustain their cultural way of life.

Why has the popularly elected Collor government waited until now to take its first, timid step toward undoing this horror? And why is another study of Yanomami boundaries needed, unless Mr. Collor is hoping to use it to further dismember the Indians' territory?

The United States should make future aid to Brazil contingent on assurances that the Yanomami will retain their constitutional rights.

The fate of these Indians has become an issue of historic importance for Brazil. The Yanomami, however, cannot wait for history.

The writer is a professor of anthropology at the University of Chicago and chairman of the American Anthropological Association's commission on the Yanomami. He contributed this comment to The New York Times.

There's a Better Way to Help Germany's New Länder Catch Up

By David Begg and Richard Portes

LONDON — A rapid rise in living standards in Eastern Germany is necessary both as an affirmation that unity has real substance and to prevent further substantial migration westward. Until productivity in the East catches up, living standards will have to be raised through subsidies financed by West Germans.

The four urgent policy imperatives are: stopping the disastrous collapse of production and employment; encouraging productivity gains; designing subsidies to achieve this at least cost, and phasing the tax burden of subsidies properly over time. These questions are interrelated. Present policy is not addressing them coherently and is making serious mistakes.

Although Germany is rich, it is not infinitely rich. Bad policies are politically dangerous. Taxpayers in Western Germany will rebel as the cost of subsidies escalates and becomes more obvious; East Germans will become disillusioned as the slump persists.

Current policy comprises subsidies to short-time working to prevent the emergence of open unemployment; a range of other subsidies (for external trade, credit, investment, and research and development); and the activities of the Treuhandanstalt — writing off corporate debts, breaking up companies, keeping loss-makers going, privatizing enterprises, and by implication executing an industrial policy.

Open unemployment in Eastern Germany has so far been kept to reasonable levels, and many more large enterprises have been privatized there than in Poland, Hungary or Czechoslovakia. But provisions for subsidizing short-term working will soon expire, and there is already concern about tax surcharges on West Germans. If the subsidies do not continue, spectacular open unemployment will emerge in the East.

And the Treuhand has already overspent its budget. Enterprises asking for subsidies are pushing on an open door, not least because it is evident that Bonn will underwrite whatever payments are agreed. So too many resources are devoted to lobbying rather than producing or restructuring, and the incentive to restructure is seriously weakened.

The varied basket of other subsidies also is unhelpful. There are far too many, and they encourage the wrong things: too much capital-intensive production, perpetuation of exports to markets that are poor long-run bets. Being complicated, they are hard to monitor.

The Treuhand is required to evaluate each request for subsidies on its own merits. This delays privatization and creates incentives and opportunities for pleading special cases.

All these failings hold back progress, raise the ultimate bill unnecessarily and temporarily conceal the true cost of the operation. When it finally becomes evident, taxpayers will get a nasty shock.

Temporary subsidies are inevitable, but they should be very simple, visible, uniform and declining according to a fixed timetable.

Since the basic conflict is between the need to raise Eastern living standards and the need to make industry competitive by lowering real wages, assistance should take the form of an employment subsidy.

A uniform employment subsidy should be available to every enterprise in Eastern Germany. The subsidy would initially be 75 percent of current East German wages. It would be reduced by one-third in each of the next three years. There would be no exceptions, and this path of subsidies would be independent of the subsequent evolution of wages or unemployment — no formula to misinterpret or manipulate.

The problem is in the labor market, not the capital market. So it should be attacked with a labor market policy, not investment subsidies. To eliminate the current morass of distortions, all other special subsidies, except one, would be abolished.

This will make the transition easier because more enterprises will be immediately viable, enterprises will be under greater pressure to restructure, and the eventual cost to taxpayers will therefore be lower. In short, it is better for both West and East Germans.

The employment subsidy is a macroeconomic policy with the right microeconomic consequences. But it is not sufficient, because there is a further microeconomic problem: the debts that Eastern enterprises inherited from the command economy. The true potential of enterprises cannot be assessed under these massive financial distortions. So the Treuhand should immediately assume all debts of the Eastern enterprises. This burden will eventually fall on the federal government, but its amount is known and incapable of further manipulation.

Then the Treuhand no longer faces an impossible task. Its policy can be straightforward. Enterprises that can survive as private companies with the temporary employment subsidy and clean balance sheets will find buyers and can be sold; others should be closed. With decision making streamlined and no purpose in further lobbying, the Treuhand will be freed to get on with its job of rapid privatization.

How should that cost be reflected in taxes? Germany must bear a temporary cost to make permanent improvements in its Eastern Länder. It should think of this as an investment project, simple in concept even if unprecedented in scale. As with other good investment projects, much of the initial cost should be financed by borrowing. It would be quite wrong to have large temporary taxes to meet the full cost of subsidies as they occur.

Germany should borrow the entire amount abroad, and raise taxes by the much smaller amount required to meet the interest payments on this debt. As the Eastern Länder start to prosper, this tax burden will be borne by more and more people, so tax rates can start to fall again.

Because Germany is a rich country, it may be able to afford current policies. But they are inefficient. The cost will be higher than it needs to be and the transition longer. Scrapping existing subsidies for Eastern Germany and replacing them with full, immediate write-off of enterprise debt and a uniform employment subsidy declining to zero within four years is the answer.

The writers are professors of economics at Birkbeck College of the University of London. Mr. Begg is a research fellow at the Centre for Economic Policy Research, and Mr. Portes is its director. They contributed this comment to the International Herald Tribune.

A Nuclear War to Keep Berlin Open?

By John C. Ausland

OSLO — During the Berlin crisis of the 1960s, Secretary of State Dean Rusk often said that his goal was to keep the city off the front pages. It still isn't easy. Now there is the debate in Germany over its capital, which comes to a head in the Bundestag this Thursday.

This debate is not the only sign that the Cold War is over. Another is that the State Department has finally released the text of a briefing I gave to President John Kennedy in 1962. Efforts in the 1970s to get it under the Freedom of Information Act failed on the ground that the briefing still represented current Berlin planning.

I found that incongruous, since it was well known that Georges Pâques, a Soviet agent working in NATO, had systematically passed U.S. contingency plans to the KGB. Nikita Khrushchev once remarked to Averell Harriman that he had seen these and was not impressed.

Encouraged by the disappearance of the Berlin Wall, I tried again recently and was rewarded with a copy, with a few excisions concerning covert operations and nuclear weapons.

Unfortunately, the text does not reflect the most important thing that happened during the briefing, a statement made by the president about nuclear weapons.

It is not easy to realize today the tension that existed in 1962. For reasons that have never been clear to me, Mr. Khrushchev suddenly reignited the struggle over Berlin. After Mr. Kennedy's ill-fated meeting with the Soviet leader in Vienna in the spring of 1961, it was hard for those of us working on Berlin to see how the Western allies could extricate themselves from the crisis without a war.

The erection of the Berlin Wall in August 1961 reinforced anxiety and led to an intensification of contingency planning regarding Berlin.

Under the guidance of Paul Nitze, then an adviser to Secretary of Defense Robert McNamara and President Kennedy, Berlin military planning became the vehicle for selling "flexible response" to the allies.

In the middle of 1962, General Maxwell Taylor, military adviser to President Kennedy, commented that it would be useful to brief the president on Berlin planning. Having recently given such a briefing to the Berlin Task Force in the State Department, I was nominated.

It is remarkable how interested officials become in something when they find it is going to the president. I survived an onslaught of suggestions and in August 1962 presented the briefing to Mr. Kennedy in the Cabinet Room. A number of senior officials were also present, including Mr. Rusk and Mr. McNamara.

The briefing used as its framework National Security Action Memorandum 109, commonly known as the "Poodle Blanket," which the president had approved in October 1961. This used a four-phase scenario.

Phase 1: Soviet or East German interference with access to Berlin. The allies had prepared military plans regarding access. On the ground, these provided for small military probes, under the rubric "Free Style." Plans regarding air access called for putting military pilots on commercial aircraft if the civilian pilots refused to fly. In some circumstances, fighter aircraft would provide protection, under the rubric "Jack Pine."

Phase 2: Significant blockage of access. This phase would be characterized by intense diplomatic activity, a NATO military buildup, and an airlift as needed. There could also be naval countermeasures, economic countermeasures and covert action designed to encourage passive resistance.

Phase 3: If measures taken in Phase 2 did not end the blockage, the allies would undertake offensive non-nuclear operations into East Germany. The names assigned to these plans were "Trade Wind" and "June Ball."

Phase 4: If the conventional military action were unsuccessful in inducing the Soviets to restore allied rights in Berlin, there could be a resort to nuclear weapons.

Although this scenario may sound bold, the briefing conveyed considerable caution. At one point I noted that this was a conceptual framework and not an attempt to predict how history would unroll. Furthermore, I added, "we have no idea of rushing from one phase to another."

This reflected President Kennedy's cautious outlook. As Mr. Rusk commented to several of us once, "You must remember, in dealing with the Russians he always has in the back of his mind nuclear weapons."

Later, when I became involved in nuclear planning, I understood better what Mr. Rusk meant. At the time it was hard to reconcile the president's concern with a remark he made during the briefing. When I was discussing Phase 4 and the possible use of nuclear weapons, he interrupted to say, "I suppose if we get involved in a war in Europe we will have no choice but to use nuclear weapons."

Silence fell on the room for a moment, and then I resumed the briefing. Mr. McNamara revealed several years ago that he subsequently cautioned Mr. Kennedy against ever authorizing the use of nuclear weapons.

Shortly after this briefing, Mr. Khrushchev deployed nuclear missiles to Cuba. This was a big mistake on his part; it moved the action from his front yard to Mr. Kennedy's. As a result, it was — happily — never necessary to determine whether the United States and its allies were as bold as their planning.

Although the allies continued to have difficulty regarding ground access to Berlin after the Cuban missile crisis, we ceased to worry about Soviet harassment leading to war.

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Princely Little Gift

BERLIN — Herr von Bleichroeder, one of the most faithful friends of Prince Bismarck, has secured the favor of an interview with the Emperor. As a token of his gratitude he has offered the Emperor a yacht built at Elbing after the latest models. This reconciliation — access to the Court having been some months ago closed to Herr von Bleichroeder by order of the Emperor — is much commented on by the friends of the ex-Chancellor.

1916: The 'German Vote'

PARIS — President Wilson has acted with extreme alacrity and has unloaded the "German vote," with all the stigma that goes with it, on his competitor, Mr. Hughes. This is not an act of generosity. It is an act of political astuteness. In existing circumstances the "German vote" is a handicap, not a benefit, for a Presidential candidate. Until recently the citizens of German stock were regarded as among the most peaceable and satisfactory members of the community. Many of them went to America to escape from Kaiserism, and all, in previous national crises, in the Civil War or the war with Spain, for example, stood manfully by their new country. But in the present cataclysm their attitude has been just the reverse. The "German vote" has thus become a gift to be dreaded.

1941: Berlin Ultimatum?

PARIS — Unconfirmed rumors came early today [June 18] from Turkey — which, perhaps significantly, "friendship treaty" with the Nazis — that Germany had served an ultimatum on Soviet Russia and even that Nazi troops have attacked the Soviet Union. All this was roundabout, and in London and elsewhere it was heard with strong skepticism. But, whatever the basis of the rumors, they are likely to have a profound influence on the course of the war.

OPINION

When the Neighborhood Gets Mad

By A. M Rosenthal

NEW YORK — This fellow, a New Yorker in his 50s, was telling his son that he didn't understand all those stories about drug peddling in the streets — nobody ever offered to sell him any. "Dad," the son said, "take off your tie."

That was about 10 years ago. The difference now is that you don't even have to take off your tie. Walk down any of a

ON MY MIND

hundred New York streets and see the cupped palms, hear the peddlers' whispers. Fifth Avenue sometimes, Columbus Circle more often, and most nights at the exits from bridges and tunnels.

But every day and night the real business of the drug trade is carried out elsewhere, in the poor neighborhoods all through the nation, where customers come from all over town, and children are always on hand to watch. There the peddlers do not bother to whisper — not in New York or in any city in America.

Everything that works is important in the fight against drugs — interdiction, law enforcement, education, therapy. All vital, but all medium- to long-range, and they all depend on somebody else, the specialists — police, judges, doctors. The American public plays no direct part in the war, except of course its essential role as victim.

Meanwhile the drug wholesalers, retailers and peddlers, who casually spray death from automatic weapons as accepted business practice, efficiently open more markets on schedule, in New York and across the country.

A familiar story, what's new? One thing: A small organization in Washington has come along with sensible ideas on fighting the drug peddler in the streets, where the struggle will be won by one side or the other.

The American Alliance for Rights and Responsibilities has a tiny staff and modest funding from people and foundations who share its fundamental goal: trying to bring individual liberties into balance with community responsibility. Or, how Americans can stay independent-minded but also get together to do each other some good, just as if we were Japanese.

The assumption of a new report by the alliance is that Americans in drug-ridden areas are sick and tired of being today's suckers and tomorrow's corpses. For those who are, the organization has produced a kind of handbook on how to organize for three objectives.

1. Broadcasting community intolerance, or the we've-had-it phase. Techniques: organizing community patrols to shadow dealers and buyers, writing down license plate numbers, demonstrating against drug landlords, setting up systems of continuous reports to police.

2. Denying space. Techniques: barring felons and drug abusers from public housing, using every ounce of the law to seize and seal drug houses or demolish abandoned buildings as drug markets, using alcohol license removal laws against druggie bars and social clubs.

3. Destroying sense of impunity. Otherwise known as legal harassment. Techniques: enacting drug-related anti-loitering laws, seizing and publicly selling cars and houses used in drug deals, installing police checkpoints at known drug market entrances to enforce laws on automobile licenses and insurance, revoking driver's licenses for selling or buying drugs, getting cops out of cars and onto streets and bicycles.

The catch in all this, of course, is that the burden of organizing and the greater burden of courage will fall on the people of the neighborhoods. But there is a role for those who do not live in the drug neighborhoods but happen to have an aversion to being mugged by drug addicts, or simply are mushy-headed enough to be upset when other people's children are brain-damaged by drugs or shot down in their own hallways. They can support more funds for neighborhood policing and community action against drugs, even if they don't live in the community.

To avoid being sickeningly hypocritical, let's admit that sooner or later that will probably mean more taxes, and stop incessantly whining about it. We are being asked "Your money or your life" and just can't make up our minds.

Anyway, the report costs $12.50 from the alliance, at 1725 K Street NW, Washington, D.C. 20006, and comes with sample letters to get legal action. The beauty is it all doesn't depend on the White House, just some people in the neighborhood.

The New York Times.

For the Lobbyist of the '90s, 'How Else but With Video?'

By Gary Lee

WASHINGTON — The oversized diesel truck came out of nowhere and rumbled toward Senator Richard Bryan of Nevada at a frightening pace. Three trailers long, it seemed to hog the highway, crowding cars as it barreled by.

But Mr. Bryan's harrowing encounter took place in the calm of his office. It

MEANWHILE

was a simulated drama, all on video, including the death of a pedestrian.

Provided by a coalition of groups opposed to bigger trailer-trucks, the 12-minute video is one of dozens that lobbyists are circulating on Capitol Hill. They range from the slick presentations on Iraqi atrocities made by the Hill & Knowlton public-relations firm for its Kuwaiti clients to rudimentary tapes made by grass-roots lobbying groups.

In an era of the talking head, the bulky media kit and the long-winded news conference, the lobby video is designed to add visual relief and a touch of drama to complex or mundane issues.

The AFL-CIO uses a video to illustrate the case against a U.S.-Mexico free trade agreement; it shows Mexican ghettos in all their squalor. Another video, distributed by the Parents' Music Resource Center to warn against obscenities on pop records, opens with a warning that the material may be harmful to children.

Along with computerized letter-writing campaigns, videos are making lobbying a high-tech business. Almost as much a feature of congressional life as power breakfasts, they have a following among some on Capitol Hill.

"They do wonders at depicting NASA projects or the wilds of Alaska, which are out of the reach of most congressmen," said Steve Hanson, a spokesman for Representative Don Young of Alaska, whose video library is stocked with more than 200 tapes.

Other congressional staff members complain that the videos are user-unfriendly. One staff member tapes reruns of "I Love Lucy" over them. Another said that the only video that had grabbed his attention was from Larry Flynt, the former publisher of Hustler, the men's magazine; it was designed to counter libel charges brought by the evangelist Jerry Falwell.

"A fax or a news release you can skim," said Larry Irving, counsel to a House Energy and Commerce subcommittee. "But a video you can't. They're too time-consuming. In the past year or so I've received 40, and only watched four."

Some lobbyists nonetheless consider videos an indispensable means of illustrating issues. Joan Claybrook, president of Public Citizen, has used them in consumer and safety campaigns. "If it's just a bunch of talking heads on the screen, of course it doesn't work," she said. "But in explaining some other issues, they're quite effective. How else but with a video do you explain what an air bag is?"

But some lobbyists remain unconvinced about the value of videos. "We certainly have the capacity to produce them," said a spokesman for the U.S. Chamber of Commerce, which has a television studio. "But so far we have not found them worth the effort."

Price is one hindrance. The Kamber Group, a Washington-based public relations firm, charges $20,000 to $50,000 to produce a lobby video.

The most effective use of video seems to be in depicting drama. The battle between truckers and railroads over the expanded use of triple trailers is a good example. It was fought in public with newspaper advertisements and television commercials and in offices in Washington with videos. The effort paid off for the railroad industry, which won a crucial battle on truck weights and sizes last week in the Senate.

Pro-trucker videos, supplied by lobbyists for trucking groups, attempted to show that the big trucks were not a highway hazard. An anti-trucker video, produced by the Citizens For Reliable and Safe Highways, or CRASH, attempted to show how unsettling big trucks are to motorists. Anthony Garrett, CRASH executive director, said that the video "helped sway a lot of people behind us."

The Washington Post.

LETTERS TO THE EDITOR

Japan: A Quick Study

Regarding the report "CIA Study Warns That Japan Seeks Economic Domination" (June 8-9):

The righteous indignation evinced by the CIA report is surprising, even ludicrous. What more have the Japanese been doing than putting into practice the tenets of market economy taught to them by the West: unlimited competition, primacy of profit and accrual of wealth? As happens not infrequently, the pupil's practice eventually proved more effective than the teacher's.

Were the struggle for economic power and the use of sophisticated lobbying techniques unknown in the West before Japan came along?

The trouble is that the Japanese are better at all this than most Westerners, and they apply their lessons with less hypocrisy. They fully understand the basic ruthlessness of market economies.

JEANNE A. MOEVUS.
Paris.

Better Without Him

It is with great dismay that I have read the recent articles in your newspaper about President Kurt Waldheim of Austria. Weeks ago we learned that he is considering seeking a second term and now, as if to reinforce to the world what a bad idea that would be, we read of his visits to Iran and Syria, including a stop at Ayatollah Khomeini's grave.

I understand Mr. Waldheim's personal motivation for the visits — he will take what he can get, and for a pariah leader, that means visiting pariah nations.

I only hope the Austrian people will tire of the isolation and embarrassment brought by their president, and that they will make it clear that another term is out of the question. Without Mr. Waldheim, Austria would be better able to accept its responsibilities toward its newly democratic neighbors. They look to Vienna — for historical, economic and cultural reasons — as an example and as an important friend.

SCOTT A. NATHAN.
Prague.

Peter and the Dutch

Now that voters have expressed the wish that Leningrad revert to its original name, it would be worth pointing out that this name is of Dutch origin, not German. Peter the Great, who founded Saint Petersburg in 1703, was a great admirer of Holland, particularly of Dutch maritime know-how. In 1697, he spent some time as a simple carpenter, working (more or less incognito) in the Saardam shipyards, learning the secrets of Dutch naval engineering. Originally, the Dutch spelling of Petersburgh was used when the city's name was rendered in Western languages.

LEON BOBRINSKY.
Paris.

A Certain Perspective

I must object to the recent review of a book called "Gaza." The review was written by Edward W. Said, a man who, to the uninformed reader, might seem to be an objective book critic. But while Mr. Said teaches literature at Columbia University in New York, he is also a prominent member of the Palestine Liberation Organization. He uses the news media not to teach literature but to spread political propaganda for a terrorist organization which even a large part of the Arab world has now disenfranchised.

FRED LEHMANN.
London.

They're Angry, Sort Of

Regarding "Americans Are Found 'Downright Angry' at Political Powerlessness" (June 6):

Settling for the second-rate, whether in education, television or social services, seems to have become second nature for Americans. It follows that second-rate attitudes produce second-rate politicians. Americans, "downright angry" at their political powerlessness, have only themselves to blame. They have the power to outvote the big campaign donors and turn the rascals out of office ... if it's not too much trouble, that is.

KELLOGG SMITH.
Rome.

What Chevènement Did

Regarding "Chevènement Keeps Parliament Seat" (News Briefs, June 10):

This item says that Jean-Pierre Chevènement, the former French defense minister, "retained" his parliamentary seat after a recent election. Not quite.

As in the United States, a cabinet member in France cannot also sit in parliament. When Mr. Chevènement became defense minister, he had to resign from the National Assembly. Later, he resigned from the cabinet.

But he had been replaced in the assembly by a substitute. It was only because that substitute gave up his seat that there was a vacancy and hence a new election. So Mr. Chevènement regained rather than retained his seat.

BERNARD SINSHEIMER.
Boulogne, France.

The Writer's Arrogance

Regarding "P. J. O'Rourke: From Left to Right" (Back Page, June 7):

I imagine I am not alone in the disappointing discovery that P. J. O'Rourke, whose social satire I have often found so devastatingly accurate, turns out to be such a smug personality.

It seems to have become a cliché that anyone who was politically to the left in the '60s has necessarily "come to his senses" since then. While Mr. O'Rourke may have joined the revolution for sex and fun, there were certainly others who did so for nobler reasons.

It is only in the United States and only over the last few years that Mr. O'Rourke's belief that "if you get to be 35 or so and you're still on the outside looking in, then that's your problem" has been promulgated.

Such arrogance not only belittles most people's lives but goes a long way toward illustrating just what has gone wrong with the common culture of the United States.

WILL MORGAN.
Berlin.

Champs, in His Book

Regarding "The Defending Champs and Portents for '92" (Sports, May 30) by Ira Berkow:

The Detroit Pistons have been the most successful National Basketball Association team in the past five years, playing in the conference finals five times and the NBA finals three times. The Pistons achieved what had been done only twice before, winning back-to-back NBA championships. Ira Berkow focuses on only one game out of hundreds. He ignores the heart and togetherness that Coach Daly has brought to make the Pistons so successful.

MARK F. BOLE.
Brussels.

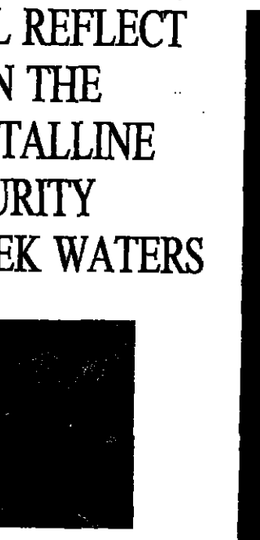
LIKE NARCISSUS, YOU'LL REFLECT ON THE CRYSTALLINE PURITY OF GREEK WATERS

NARCISSUS WAS AN ORDINARY MAN OF EXTRAORDINARY BEAUTY. SOME SAY, THE BEAUTY OF A GOD. HE DISCOVERED HIS BEAUTY REFLECTED IN CRYSTAL CLEAR WATER, SOMEWHERE IN GREECE. TOTALLY CAPTIVATED, HE NEVER LOOKED UP AGAIN.

LIKE NARCISSUS YOU'LL REFLECT ON THE CRYSTALLINE PURITY OF GREEK WATERS. WATERS WHICH REFLECT THE BEAUTY OF MORE THAN 2,000 MYTHICAL ISLANDS. WATERS WHICH GENTLY LAP ONTO 15,000 KILOMETRES OF COASTLINE. THE CLEANEST, PUREST WATERS IN EUROPE. YOU CAN ENJOY THESE WATERS FROM ANY ONE OF 30,000 BEACHES, BATHED IN HEAVENLY SUNSHINE, 330 DAYS OF EVERY YEAR.

BUT DON'T LOSE YOURSELF. THERE IS SO MUCH MORE TO REFLECT ON.

THE GODS COULD HAVE CHOSEN WATER FROM ANYWHERE. THEY CHOSE THE WATERS OF GREECE.



GREECE
Chosen by the Gods

FOR MORE INFORMATION, PLEASE CONTACT THE GREEK NATIONAL TOURIST ORGANIZATION. 2, AMERIKIS ST. GR - 105 64 ATHENS, GREECE. TEL: (301) 322.3111.

OLYMPIC AIRWAYS

Croatia and Serbia: Good Guys vs. Bad Guys, but Who's Who?

By Blaine Harden
Washington Post Service

ZAGREB, Yugoslavia — As Yugoslavia has tumbled toward dissolution in the last year, the U.S. government and influential members of Congress have painted Serbia, the largest of the country's six republics and one that retains a hard-line Communist leadership, as the principal villain behind the looming breakup.

In the same period, Serbia's major ethnic rival, Croatia, the second-largest republic and one whose government professes a commitment to Western-style democracy, has met with relatively little Western criticism — even though its record on human rights and economic change does not measure up to the democratic goals the government set last year.

This view has persisted even though the government of the Croatian president, Franjo Tudjman, a nationalist who won an overwhelming victory in democratic elections last year, has encouraged discrimination, enacted press restrictions and moved more slowly than most governments in Eastern Europe to carry out free-market change. In addition, the government has imported arms in violation of Yugoslav law and promoted a Tudjman personality cult.

"Here if you do not like Tudjman, you are an enemy of Croatia," said Ivan Zvonimir Cicak, former leader of a small opposition party and critic of the president. "Before, it was communism; now, nationalism. Before, it was in the name of the working class; now, in the name of the Croatian nation."

In Belgrade, the capital of both Yugoslavia and the republic of Serbia, some Western diplomats are concerned about the behavior of the Croatian government.

"This simplistic view that sees a free, democratic Croatia and a bad, barbaric Bolshevik Serbia is a lot of

NEWS ANALYSIS

crap," a Western diplomat said. "It affects perceptions around the world and gets played back into the Yugoslav crisis. Communism is becoming an increasingly meaningless buzzword to understand what is happening in Yugoslavia."

More useful in understanding the increasing nationalist conflicts here are the pre-Communist memories that Serbs and Croats have of each other's behavior during World War II. Croatia became a quisling state for Nazi Germany and began sending Serbs to concentration camps. The two ethnic groups fought and killed each other by the tens of thousands.

With the end of the Cold War and nationalist fevers rising, tensions between the groups have escalated again. Critics of the Croatian government charge that it has encouraged ethnic, primarily anti-Serb, discrimination in public employment.

It has obtained control of the republic's largest newspaper publishing house and has sought to ban an independent Yugoslav television news program that it considers anti-Croatian.

On the economic front, Croatian economists and Western diplomats say the republic's new privatization law actually gives it more control over business than the relatively decentralized state system that evolved here under Communist rule. The law gives power to a few senior officials to set prices and determine buyers for billions of dollars' worth of state assets.

The government has imported large quantities of weapons and armed paramilitary units in violation of Yugoslav federal law. This is, however, not singular to Croatia; leaders in both Serbia and the republic of Slovenia have done the same.

Leaders in Croatia and Serbia appear to be accelerating nationalist emotions in both republics. This month, Belgrade television broadcast videotape of a military spectacle in Zagreb. As Mr. Tudjman and his ministers sat in review, and as flags waved and Croatian patriotic music blared, the republic's new national guard paraded around a soccer stadium.

"Serbs are genuinely afraid of what they see going on in Croatia because it conjures up images of the 1940s," the Western diplomat said. "It has them scared, angry and prepared to fight."

Far-rightist Serbian nationalists appear to be gaining political support in Serbia. Vojislav Seselj, leader of the Serbian Radical Party, has attracted huge crowds in Belgrade by advocating the violent conquest of Croatia so that the 600,000 ethnic Serbs there could live in what he calls "historic Serbia."

The human-rights record of the Serbian government under Slobodan Milosevic is far worse than that of Croatia under Mr. Tudjman. Human-rights groups have documented police repression by the Milosevic government against the 1.9 million ethnic Albanians who live in Kosovo, a Serbian province.

Nothing on that scale has occurred in Croatia, which is a major reason why the U.S. government has publicly criticized Serbia.

Mr. Tudjman's government is also credited with showing restraint in the face of armed Serbian provocation. The Croatian president, in effect, has allowed the Serbs in the region around the city of Knin to cut a 145-by-50-kilometer (90-by-30-mile) strip of territory out of Croatia.

But critics say Mr. Tudjman's government — by insisting that the nationality issue take precedence over human rights, freedom of the press and economic reform — has backed Croatia into a corner.

Interviews with Croats suggest that many believe ethnic conflict with Serbs is inevitable and necessary to establish Croatia's status as an independent nation.

A 'Moment of Truth' Confronts Europeans As EC Shapes Its Future

By Leigh Bruce
International Herald Tribune

LONDON — The EC debate about whether the European Community is to establish a true federation, or simply reinforce cooperation among members, could make or break talks on economic and political union, European analysts and officials said Tuesday after acrimonious exchanges between Britain and the EC Commission president, Jacques Delors.

"We have reached the moment of truth when we must decide what kind of Community we want to build, a United States of Europe or something else," said Philippe Moreau-Defarges, director of European research at the Institut Français des Relations Internationales.

He and others agreed that the problem of when and how to adopt a single currency and single central bank had been largely defused by political compromise in principle between Britain and its partners.

Under the compromise, the British could sign the economic and monetary union accord expected to be finalized by the end of the year, while retaining the right of its Parliament to make a separate decision in several years time on taking the final step to a single currency.

But even that accord could fall apart if the EC members fail to resolve disagreement on political union, which includes the change of EC institutions as well as moves toward a single foreign policy and military role.

"There cannot be one without the other," said an aide to Chancellor Helmut Kohl of Germany. "A consensus has been reached on EMU, but there must be greater powers for the European Parliament as well."

Germany has long insisted that it would not ratify an accord on monetary union unless it was accompanied by changes to make the EC more democratic by strengthening the legislative powers of the European Parliament while laying the foundations for the gradual construction of federal structures.

Hence, the clash between the British foreign secretary, Douglas Hurd, and Mr. Delors over proposals to set the EC on the path of "a federal goal" during a meeting of EC foreign ministers on Monday could turn out to be the latest watershed on the difficult course to a more united Europe.

It was the first time an EC document had ever contained the world "federal," reflecting the extreme sensitivity of the issue since the birth of the Community.

The proposed treaty also said that the EC would convene a new intergovernmental conference in the mid-1990s "to examine the provisions of the aforementioned treaties with regard to a strengthening of the federal character of the union."

The incident provoked controversy in Britain, where Prime Minister John Major has struggled to control deep divisions in his party over the European Community since taking over from Margaret Thatcher in November.

The offending language may well be deleted by this weekend, when the Luxembourg presidency of the EC is due to present revised treaty texts on monetary and political union to another gathering of foreign ministers, thus cooling British political passions.

But the analysts and officials agreed that fundamental questions behind the incident would remain at the top of the EC agenda.

"It's not a question of all or nothing, but the Community must take steps toward becoming a Europe of citizens and not just a Europe of states," the Kohl aide said.

The consensus among analysts and officials was that a suitable compromise would be found, allowing both countries suspicious of fast political integration — headed by Britain and, less openly, France — and federalists like Germany to move forward.

"At the end of the day, I'm sure everyone will make the appropriate concessions to keep the move to EC unity on track," said Dr. Paul Taylor, an expert on EC integration at the London School of Economics.

"It is not a matter of setting up federal structures, now, but of stepping a little further down the path to unity that began with the Single European Act," he added.

Nonetheless, he and others acknowledged that the pitfalls ahead remain deep and numerous.

The reference to federalism and to future negotiations to achieve that goal, which so upset the British, was inserted as a response to the complaints of countries upset that foreign and security policy, along with police and judicial authority, should remain outside the competence of the EC Commission and European Parliament.

Now the 12 must find a compromise between the German vision of a federal Europe with flexible structures and strong local authority as in Germany, on the one hand, and the British concept, of the Community as a loose confederation of states sharing common rules, on the other.

ISFAHAN: *Renewed Luster for the Pearl of Persia*

(Continued from page 1)

colored lanterns lodged beneath a 400-year-old bridge.

As tea and water pipes are brought to the mayor's guests, someone asks how he got the money to restore the bridges, monuments and mosques that create the harmonious architecture of Isfahan.

"*Khodyari,*" whispers another guest, which roughly translates as "voluntary sacrifice." Wealthy merchants are asked to pay it, as are cabinet ministries, like the Oil Ministry, which used the city in late May to hold Iran's first major international conference since the 1979 revolution.

The money finances beauty, for Isfahan assembles all that has been noble about this country over the centuries.

Iran's tolerance toward other religions, which has been eclipsed by the excesses of the Islamic revolution, remains evident here. Armenians who were brought to this land by Shah Abbas I are still living in their neighborhood, first built in 1606. In another part of town, the Jewish quarter is still known as such, and a small group of merchants continues to thrive despite ritual pronouncements from Tehran against Zionism.

While Cairo and Damascus, Marrakesh in Morocco, Baalbek in Lebanon and Aleppo in Syria are all old cities like Isfahan and have evidence of other great civilizations, no other city in the Middle East assembles so many well-preserved monuments of previous epochs, framed in a poetic, almost pastoral, setting.

Beneath the spectacular Si-o-Sepol Bridge, built in 1602, art students sit on polished granite terraces under shaded spots made by the bridge's perfectly symmetrical 33 arches. They sketch the river rushing toward the 275-meter-long (900-foot) bridge, only to be sliced into currents as it passes through the base.

Paintings on display in the city's galleries range from elegant Arabic calligraphy from the Koran to daring portraits of mysterious-looking Iranian women with heavily made-up brown eyes.

"Is this tolerated by the regime?" a British visitor asked.

"It's art in a city full of arts," replied Rasul Saee, a gallery manager and art teacher who spends six months a year here and the other six in California, where he studies and teaches at Santa Monica College.

It was not so at the start of the revolution, when angry youths tried to disfigure some of the majestic wall paintings in the Chehel Sotun Palace, the palace of 40 columns. The paintings, some 10 meters tall, depict, among other things, men and women courting in picnic settings of flowers and foliage, with red wine flowing freely.

When it appeared that the unorthodox paintings were endangered, the Isfahan authorities closed the palace and covered them with cloth. The covers came down only a few weeks ago, the mayor and other officials said, in part because Isfahan wanted to reveal its full chest of treasures in anticipation of its 400th anniversary.

But the most beautiful sights of Isfahan mesh with the nation's Islamic character. They are the airy mosaic and shiny tiled mosques of the Nakshsh Jehan, the picture of the world, a majestic square that is seven times larger than St. Mark's Square in Venice.

The place has been renamed Imam's Square, after Ayatollah Ruhollah Khomeini, the founder of the Islamic republic. But taxi drivers have no hesitation identifying it as the king's or shah's square, after the royalty that ordered it built more than three centuries ago.

Thatcher Stresses Own Priorities

Reuters

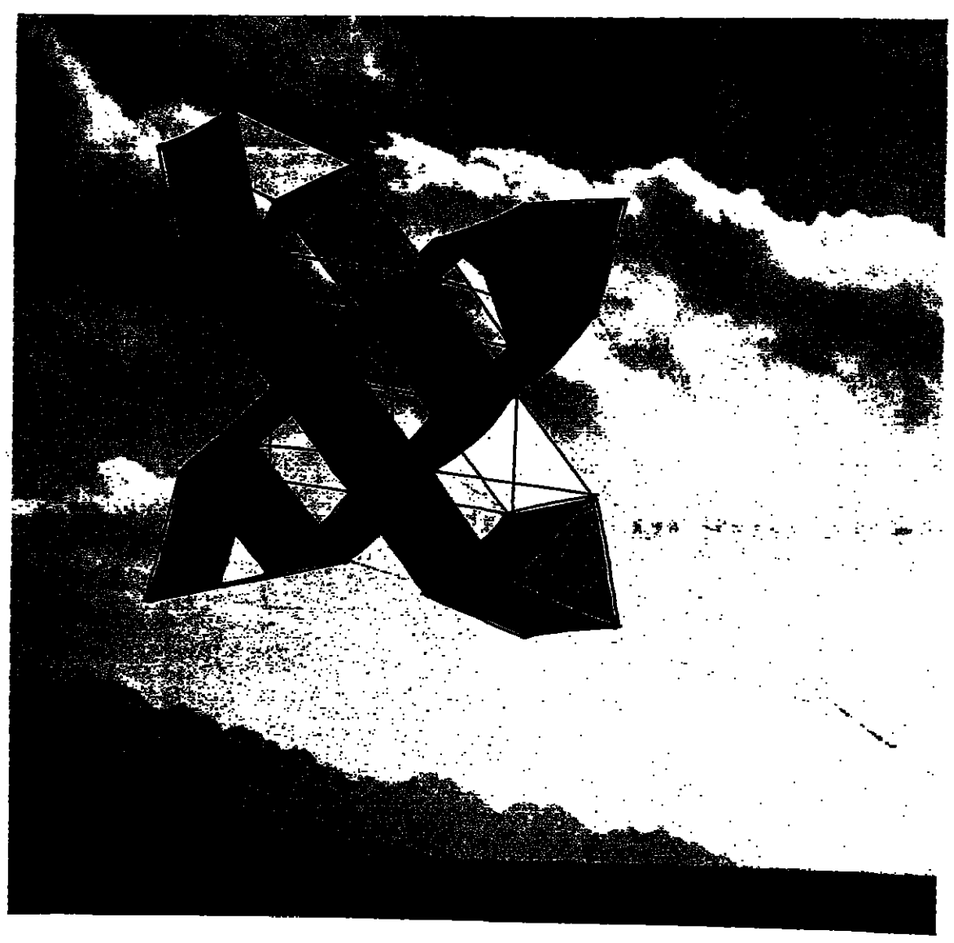
LONDON — A warning from Margaret Thatcher against "little Europeans" with imperial aspirations has not helped Prime Minister John Major unite the Conservative Party and defend Britain's case in Europe, politicians and commentators said Tuesday.

They said that the former prime minister made clear in a speech Monday night in Chicago that her priorities differed from those of her successor.

Mr. Major has tried to appease a vocal minority of Conservatives who fear the erosion of sovereignty even more than they fear isolation from the EC as it becomes as a significant economic power.

Sven Creutzmann/Reuters

CARRIED AWAY — German policemen carrying a demonstrator after he and others blocked the driveway for containers loaded with atomic waste in Gorleben, Germany, on Tuesday. About 200 people protested plans of the government to store atomic waste from Belgium in Gorleben.



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Tokyo Boosts Security For French as Cresson Provokes Extremists

Compiled by Our Staff From Dispatches

TOKYO — The Japanese police have stepped up security around French companies in Tokyo to prevent attacks by extremists angered by what they consider anti-Japanese remarks by Prime Minister Edith Cresson of France.

A police spokesman at Tsukiji in central Tokyo said security measures had been stepped up in Tsukiji and other areas to protect employees of French companies.

"Several right-wing groups visited the French Embassy and handed over demands for an apology in protest letters to the embassy staff over the past couple of weeks, but no trouble has occurred so far," a police official said.

Rightist extremists in Japan want Mrs. Cresson to make a public apology for remarks she made when she was foreign trade and European affairs minister.

In January 1990, she called Japan "an opponent that doesn't play fair," and accused it of "wanting to conquer the world." She also said she regretted that "France isn't waging economic warfare."

She subsequently called for a "battle plan" against Japanese industry and advised Michel Rocard, prime minister at the time, to "avoid kowtowing to the Japanese."

For nearly a week trucks crammed with loudspeakers have cruised outside the French Embassy here blasting out anti-French slogans.

The rightist group Issui Kai staged a demonstration June 11 outside the embassy during which protesters shouted, "We are not little yellow men." On Friday the organization issued a statement calling for a boycott of French products throughout Japan.

Several French companies have received anonymous telephone calls, and the showroom of the French automaker Peugeot was daubed with paint last week.

The Japanese extreme right, comprising about 840 organizations with up to 120,000 members, has a high profile in Japan, and its vehicles are seen regularly driving through city streets draped with flags and broadcasting anti-U.S. or anti-Soviet slogans over their loudspeakers.

In the past it has carried out attacks against Japanese political figures, notably those of the left.

In January 1990, Mayor Hitoshi Motoshima of Nagasaki was shot by a rightist extremist for having criticized Emperor Hirohito in 1988.

Kyodo News Service said a former finance minister, Kiichi Miyazawa, urged the government on Tuesday to lodge a strong protest against the French government for Mrs. Cresson's verbal attacks.

Mr. Miyazawa was quoted as saying that her remarks would undoubtedly have an impact on European Community policies toward Japan and should not be ignored.

(AFP, Reuters)

Laurent Rebours/Agence France-Presse

Prime Minister Edith Cresson during a radio interview Tuesday in Paris. She used an English expression to defend herself.

Cresson's Riposte on the Interview: Publishing It Was Not 'Fair Play'

Reuters

PARIS — Prime Minister Edith Cresson said Tuesday that a newspaper's decision to publish a four-year-old interview in which she cast aspersions on British virility was not "fair play."

"If this conversation took place I was not only not prime minister, I was not even in the government," she told a radio interviewer.

It was not "fair play," she said, using the English expression, to publish the remarks.

On Sunday, the Observer newspaper published for the first time remarks reported to have been made by Mrs. Cresson in an interview with the author Naim Attallah, who was doing research on a book on women.

She said she did not remember meeting with Mr. Attallah. "Maybe I had a conversation with an English journalist because I had a lot of conversations with English journalists," she said.

"All I know is that if the conversation took place, and if he found the things I said interesting, he would no doubt have included them in his book," she added. "I have nothing to add to this so-called interview that has been taken out of a drawer."

Asked about her alleged claim that a quarter of English men were homosexual, she said: "It's difficult to produce a statistic."

Mrs. Cresson, 34 days in office as prime minister, defeated a conservative opposition motion of no-confidence late Monday by 24 votes, thanks to a Communist Party abstention in her favor.

In Japan, a Deaf Ear for Gorbachev's Aid Appeal

Compiled by Our Staff From Dispatches

TOKYO — A month before President Mikhail S. Gorbachev meets with leaders of the seven leading industrialized democracies to discuss the Soviet economy, Japan remains reluctant to provide him with major economic aid, officials said Tuesday.

The Japanese position may make it the strongest holdout at the Group of Seven meeting on July 15 in London.

Japan "at this moment is not so inclined to extend large financial aid" to Moscow, said a Foreign Ministry spokesman, Taizo Watanabe.

Finance Minister Ryutaro Hashimoto also expressed reservations about providing aid, the Kyodo News Service reported.

"Even if we give loans, who can repay the money, Moscow or the republics?" the news agency quoted him as having asked. Many of the Soviet republics are demanding greater independence from the federal government in Moscow.

A key reason for Tokyo's attitude is a dispute over four islands off northern Japan that were occupied by the Soviet Army at the close of World War II. Talks about the islands — Shikotan, Kunashiri, Etorofu and Habomai — dominated a visit to Japan by Mr. Gorbachev in April.

Tokyo insisted that it would not consider large-scale financial aid unless Mr. Gorbachev returned the islands and paved the way for a peace treaty between the two countries.

Japanese officials also point to reports from international financial organizations contending that large infusions of cash will not work efficiently to improve the Soviet economy.

Although stopping short of making the return of the islands a condition to large-scale aid, Mr. Watanabe said the issue "is a matter very important in establishing a foundation of trust and confidence between the two countries."

If confidence is established, he said, "we can talk more freely about other matters." In the meantime, Japan has offered the Soviet Union some technical assistance and humanitarian aid.

Some Western European nations are showing a greater willingness to help the Soviets. And the United States recently announced $1.5 billion in new credit guarantees for farm commodity imports.

Mr. Watanabe said, however, that he did not believe that his position would isolate Japan from the other industrialized nations at the London meeting.

Besides Japan, the members of the Group of Seven are the United States, Canada, Britain, France, Germany and Italy.

A European diplomat said Japan would in the end go along with a Western consensus on aid to Moscow even if the islands had not been returned.

"Japan does not want to be left out on its own," he said. "It took a hard line with Mr. Gorbachev because it believes this is the best chance in 46 years to get the islands back. Never has the Soviet Union been so weak and Japan's position so strong."

Soviet officials have said that Mr. Gorbachev is not looking for a huge infusion of foreign aid but wants to outline his plans for economic change and enlist the G-7 nations' aid in carrying them out.

(AP, Reuters)

Aide Says Soviets Still Plan to Quit Base in Vietnam

Reuters

HANOI — A Soviet official in Hanoi has denied a report that Moscow has changed its mind about pulling its forces from the Cam Ranh Bay base, saying withdrawal should be completed by 1994.

"We've said we're pulling out of Cam Ranh Bay," the official, Andrei Levin, an embassy counselor, said Tuesday. "We haven't changed that opinion."

He added that the Soviet Union had withdrawn about three-quarters of its ships and aircraft from the base on Vietnam's southeastern coast, which served as as important U.S. base in the Vietnam War.

The International Herald Tribune last week quoted Vladimir Kasatkin, a rear admiral with responsibility for the Asia-Pacific region, as saying that Soviet forces would continue to use Cam Ranh Bay as a "support point" for naval operations in southeast Asia, the Indian Ocean and the Gulf.

Admiral Kasatkin was quoted as saying that Soviet forces still at Cam Ranh Bay included a detachment of 6 to 10 transport planes and maritime reconnaissance aircraft, a submarine, four patrol vessels and eight support ships.

U.S. Jets Out of Bahrain

Reuters

MANAMA, Bahrain — The last four U.S. combat aircraft sent to Bahrain during the Gulf war left Tuesday for Saudi Arabia, a U.S. Embassy spokesman said.

Middle Class India: Missing, Presumed Apathetic

By Barbara Crossette
New York Times Service

NEW DELHI — The political map of India has been redrawn in the turbulent election of 1991, geographically and demographically.

Traditional voting patterns have been upset as fewer voters than ever cast ballots in what is the world's most populous democracy and also one of the poorest of nations.

"I do not think our electorate is very clear about what it wants," said Ashis Nandy, a political scientist at the Center for the Study of Developing Societies, in Delhi. "But the lesson of this election is that any party that has been in power has paid for it."

With 401 of the 511 contested Parliament seats decided Tuesday, the Congress (I) Party had won 212 and was expected to end up well shy of the 256 it would need to form a government without a coalition partner.

The Bharatiya Janata Party, the surging Hindu nationalist party, had won 91 seats and was projected to win 120.

In third place, the Janata Dal coalition, which stirred controversy in championing government affirmative action for lower castes, had won 34 seats. The rest of the decided seats went to smaller parties.

Denied a clear majority, the century-old Congress Party, in the throes of choosing a new candidate for prime minister after the assassination of Rajiv Gandhi, has been evicted from its strongholds among the poor, the Muslims, and the upper castes in the northern states, and is now all but totally reliant on the support of allies in the south.

The Janata Dal coalition, which came to power under Prime Minister V.P. Singh in 1989 on a burst of enthusiasm for clean government and a break from one-party, one-family rule under the Congress Party, now retains a significant presence only in three states, the heavily populated and important states of Uttar Pradesh and Bihar, and in Orissa, a smaller state in the southeast.

Other politicians who had backed Mr. Singh as part of his National Front coalition, only to split with him over his program to aid the most disadvantaged, are battling to carve out constituencies that will enable them to survive.

Much of the intellectual middle class, which had asserted itself through the Front, was stunned and disappointed when Mr. Singh's promises of modernization turned out to include an expanded affirmative action program for the poorest and weakest castes.

This energized middle class, so vocal and aggressive in the previous election, is now hard to find within the vote totals being tallied.

The question is, where did they go?

A lot of them, their hopes dashed, chose not to participate. With 53 percent of eligible voters casting ballots, the election had the lowest turnout of any modern Indian vote.

"People like us do not vote," said Mr. Nandy, the political scientist. "Only the lower ranks still have faith in the electoral system."

But parties representing the most underprivileged Indians did not fare too well, either. The Bahujan Samaj, appealing to the lower castes to use their numerical superiority and seize political power, is teetering on extinction.

NEWS ANALYSIS

The Bharatiya Janata Party, the new force representing Hindu revivalism and upper-caste privilege in a country that is more than 80 percent Hindu, has become the most dynamic national political organization, and in the process is positioning itself as the next hope for that significant part of the Indian middle class that is both Hindu and higher caste.

The party has captured the country's most populous state, Uttar Pradesh, the home base of the dynasty of Jawaharlal Nehru and the source of all but one of India's prime ministers.

Mr. Nandy said that the success of the Hindu party had a lot to do with its effectiveness in packaging some of its least attractive appeals to religious chauvinism in the language of nationalism and equality, though equality is often defined as the phasing out of minority rights.

The party, however, lost ground in states where it had been voted to power a scant year ago, raising questions about whether its success can be sustained.

The only exception to the "toss the rascals out" rule in this election seemed to be the support shown in the state of West Bengal for the Communist Party of India-Marxist, the larger of two communist organizations. There, Chief Minister Jyoti Basu, in power for 14 years, obtained another term with a majority in the state assembly. The party was also leading in parliamentary contests.

The restless middle class has traditionally found other ways of gaining power, Mr. Nandy said, through control of news organizations and dominance of a vast civil service, among other methods. Many seem to feel that the overly centralized, openly corrupt political system only gets in the way of economic development.

Mr. Nandy said that the failure of the Janata Dal was its inability to make its long-term development aims clear to the expanding middle class — up to 150 million people out of more than 817 million — whose traditional commitment has been to its own privileges in an overpopulated society where resources and jobs are scarce. Mr. Singh's affirmative action plan, which he calls essential to the social and economic growth of the nation, frightened and outraged many of them.

Whether the modest resurgence of support for the Congress Party is sustained depends on its ability to choose the right prime ministerial candidate, the most effective coalition partner, and the most vigorous program for dealing with an impending economic crisis.

Congress Party leaders have been phoning and meeting privately with officials of left-of-center parties as well as regional parties to gather the necessary majority in Parliament.

A panel of two dozen Congress leaders is expected to name the party's parliamentary leader, and hence its choice for prime minister, in time for presentation to the party's legislators on Thursday.

Sikh Separatists Kill 3d Candidate For Parliament

Reuters

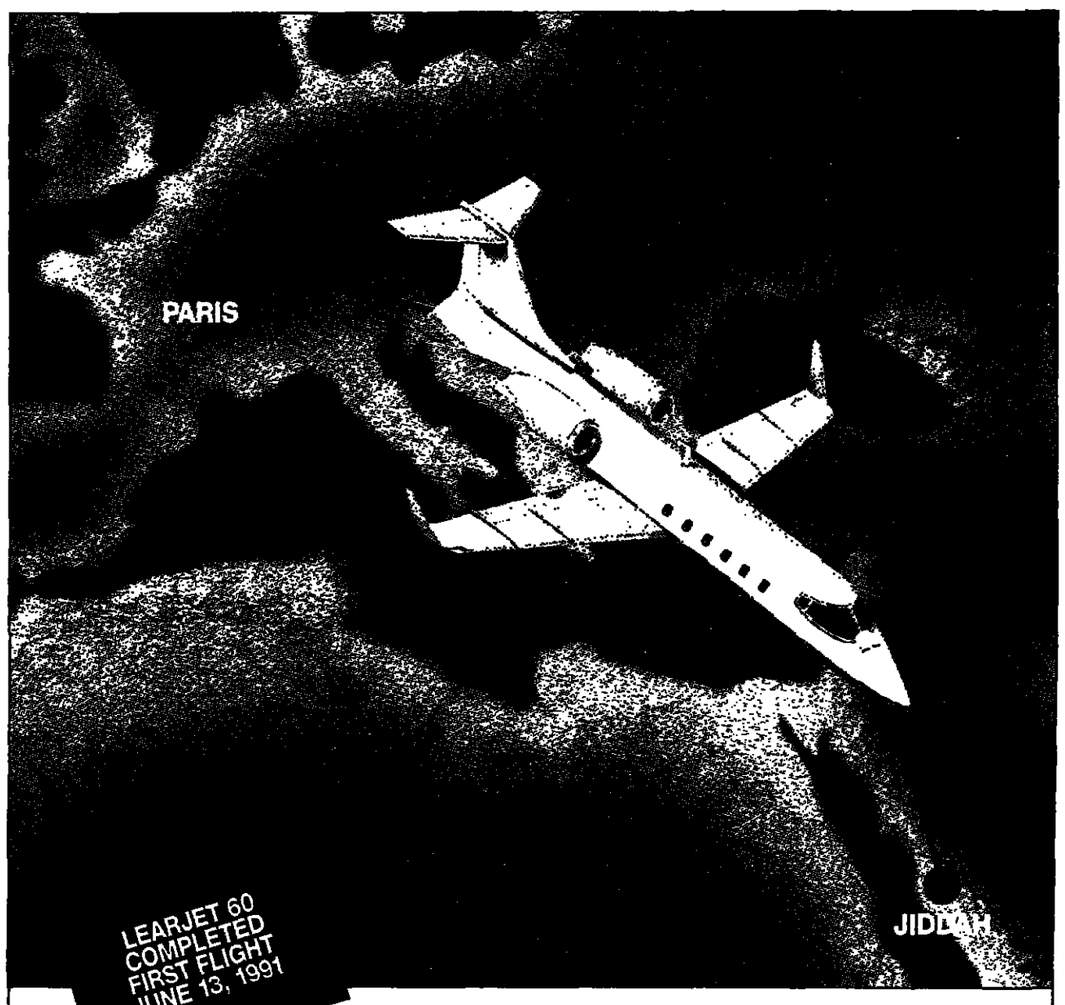
CHANDIGARH, India — Sikh militants killed another candidate on Tuesday in their efforts to disrupt elections in the northern state of Punjab, the police said.

They said the militants used a bomb to kill Shaminder Singh, a member of a prominent Sikh family who was running for one of Punjab's 13 parliamentary seats in national elections.

The bomb went off during a ceremony in which Mr. Singh's weight was being matched in coins, a traditional tribute from supporters, near the Punjab city of Faridkot. He was the third parliamentary candidate to be slain in Punjab.

Separatist gunmen also attacked the house of Surup Singh, a candidate in the state election, and killed four of his bodyguards near Chandigarh, the Punjab capital, the police said. They said Mr. Singh survived the attack.

The separatists, who want an independent Sikh homeland in Punjab, have killed more than 20 candidates for a state assembly that would return power to Punjab after four years of direct rule from New Delhi. The state election is to be held Saturday.



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Asians Trying to Settle Spratly Dispute

By Michael Richardson
International Herald Tribune

KUALA LUMPUR — Fearing armed conflict and intrusion by China, Southeast Asian nations are stepping up efforts to arrange a negotiated settlement of potentially explosive claims to the Spratly Islands, in the South China Sea.

Indonesia is organizing a conference in Bandung in July that will bring together, for the first time, the six countries that claim all or some of the islands — Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam.

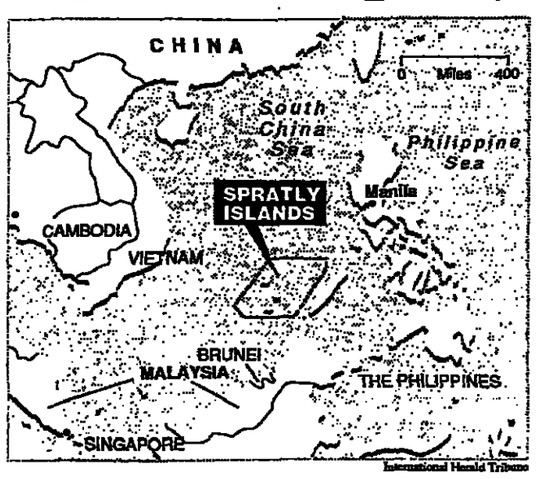
All but Brunei have put troops on the islands they control in the Spratly group, some of which are within shooting distance of one another. Chinese and Vietnamese warships fought a brief battle in the area in 1988, when the Chinese managed to get a foothold in the Spratlys.

Although small and barren, the scattered islands provide the key to control over vast surrounding areas of fisheries as well as the seabed, which is believed likely to hold extensive petroleum deposits.

The islands are also strategically important, lying close to major sea lanes linking Japan and other Asian nations to the oil of the Gulf.

Analysts say that rapid economic growth in the Far East, and a scramble after the Gulf war to gain access to offshore oil and natural gas to reduce dependence on the Middle East, are creating an urgent need to manage tensions in the South China Sea.

Military commanders of countries in ASEAN, the Association of Southeast Asian Nations, worry about the potential for conflict.



International Herald Tribune

With attempts under way to settle the war in Cambodia, "There are strong indications that the future arena of conflict may shift toward the maritime area, specifically the territorial dispute over the Spratlys," General Lisandro C. Abadia, the Philippines chief of staff, said recently.

His Malaysian counterpart, General Hashim Mohamed Ali, warned that the South China Sea was "likely to be the next flash point of conflict" unless rival claims could be managed and eventually resolved.

Any conflict in the area "may easily and quickly be exploited by interested parties and, worse, invite external intervention," he said.

Western officials say Vietnam has put troops on 25 of the Spratly Islands, the Philippines has sent troops to eight islands, China to seven, Malaysia to three and Taiwan to one.

Chinese forces seized control of the Paracel Islands, in the northern sector of the South China Sea, from South Vietnam in 1974 shortly before the fall of Saigon. A unified Vietnam asserts that the Paracels are part of its territory.

Beijing also claims shoals known as the Macclesfield Bank, in the center of the South China Sea, as well as the whole of the Spratly archipelago.

Alarmed by the growing reach of China's navy, air force and amphibious units, and suspicious about Beijing's intentions toward the region, Southeast Asian countries want to keep China at arm's length by controlling the South China Sea islands closest to them.

In an interview at a regional security conference in Kuala Lumpur last week, E. Gao, deputy director general of the China Center for International Studies in Beijing, said China wanted to avoid further clashes over the Spratly Islands and would not use force provided it was not challenged by Vietnam.

Mr. Gao said that Chinese experts were reviewing the boundary line marking the extent of China's claims in the South China Sea. He said that it was his view that the final claim made by China "will be less than the present claim because otherwise the problem cannot be solved."

On a visit to Indonesia earlier this month, Yang Shangkun, the Chinese president, said Beijing had "indisputable sovereignty" over the islands, based on discovery and prior occupation. This is contested by other claimants.

But President Yang renewed an offer first made in August by Li Peng, the Chinese prime minister, for joint petroleum exploration and development in the Spratly zone, pending a settlement of the sovereignty dispute.

Qian Qichen, foreign minister of China, said in Jakarta that China wanted to "see common development in the common interest of this region."

Lun Doan Huynh, head of the Asia Pacific division of the Institute for International Relations in the Vietnamese Foreign Ministry, said in Kuala Lumpur that China had adopted a more flexible stand "because it is coming up against many different countries in Southeast Asia," a region with which the Chinese want to improve relations.

Christian Rose

Niels Lan Doky: "It's possible to make honest jazz accessible."

The Planetary Generation of Jazzmen

By Mike Zwerin
International Herald Tribune

PARIS — It's tough to be a young musician today. There's nothing to play. Or rather it's all been played. Some players busy themselves in tradition and recycle older styles. They can be very convincing but it's still old stuff. Others try to construct a new vocabulary and they often try too hard.

The way Niels Lan Doky figures it the only way to go is to dig into the tradition just far enough to come out the other end into the future. *Use what's already there to invent* yourself. He might be described as an old-fashioned progressive.

The 27-year-old Doky is at the top of the emerging generation of young jazz musicians who have to deal with a world in which the original voices are going-going-gone. Stan Getz is the most recent. Those remaining are over 60 and with the exception of Sonny Rollins and maybe Ornette Coleman, past their prime.

Doky, who is part Vietnamese, part Danish and has homes in Paris and New York, is *also a prime example of what might* be called the first planetary generation. History, of course, remains, but as the original generation of masters disappears, so does the definition of jazz as strictly speaking American.

Doky's Vietnamese father came to Paris to study medicine. (He plays classical guitar.) His mother was a *Danish singer studying* opera. They had a nightclub act called Thai and Greta. After Greta became pregnant they moved to Copenhagen in search of a *more familial lifestyle.* And Niels was born there in October, 1963.

He won competitions playing guitar, before the age of 10. The soundtrack of the film "The Sting" hooked him on the piano and he was playing with a professional Dixieland band by the age of 13. Three years later, he worked with Dexter Gordon, then living in Copenhagen.

The master trumpeter and arranger Thad Jones (Elvin's brother), who was leading the Danish Radio Network Big Band, took a fancy to young Niels and taught him to play fewer notes. He gave him tips about how to lead musicians. He talked to him about the importance of listening to the musicians he played with. (Many musicians listen only to themselves.) Jones gave him a letter of recommendation to the Berklee College of Music in Boston, from which Doky graduated *cum laude, while acquiring a New England* accent.

Looking back now, success arrived on its own. His movie-star good looks may have had something to do with it but this boy can play. In his early 20s, he was playing with the best — John Scofield, Jack DeJonette, Niels-Henning Orsted Pederson. By the age of 22, he had recorded his first album as a leader.

*He now splits his time between Copenha*gen, Paris (he is married to a Frenchwoman, *they have twins)* and New York, where he shares an apartment with his bassist brother Christian Minh Doky. This month the two of them are inaugurating a brother-band, also starring the young lions John Abercrombie and Adam Nussbaum.

There's not a shadow of doubt in Niels's handsome face. He knows what he wants, he's good at it and it's coming his way. His generation — Branford Marsalis is another example — has a combination of ability and good sense that was *rare in the past.* When Niels is home off the road, he's home with his family, not hanging out getting into trouble. Being a family man does not conflict with honest funk. He was given talent and he knows what to do with it. Most of all how not to waste it.

HE'S not gloating about being at the top. He just belongs there. When he tells you he's got a contract with a major record company he's not bragging. You can tell by the way he looks you in the eye. And his perspective requires no editing whatsoever.

"A cultural mixture can be very positive. My Danish background combined with my French culture and my adopted home in New York works well for me. *Different ap*proaches work in different places. *Whatever* success I enjoy is largely due to the fact that my music is at home in many cultures.

"I'm emphasizing melody. There's a lot to do with melody. I look at music as a balance between elements, the most important of which is improvisation. If both the melody and the improvisation are abstract and complicated, it makes the music difficult to follow. But if you have a simple strong melody, then you can improvise without compromise and not lose your audience.

"In general, I think it's possible to make jazz understandable to a wider audience without compromise. You do it by pacing. By emphasizing structure and contrast. The trick is to not be consciously commercial. I don't want to give up the interaction between musicians, the freedom of going any place any time. No way will I give that up. But at the same time, it's possible to make honest jazz accessible and that's the direction I'm going.

"I'm not worried. I have some ideas that are different. I think there are young people with something new to say and I just might be one of them."

The Doky Brothers: Toronto, June 25; Calgary, June 26; Saskatoon, June 27; Vancouver, June 28, 29; Bilbao (Spain), July 6; Amsterdam, July 9; Copenhagen, July 12; Paris, July 16.

Bright Light on Tennessee Williams

By Sheridan Morley
International Herald Tribune

LONDON — Written in 1948 and first seen on Broadway three years later, Tennessee Williams's "The Rose Tattoo" has never achieved the fame or longevity of *his earlier "Streetcar" or of the lat*er "Cat on a Hot Tin Roof" and "Sweet Bird of Youth." Indeed in London it has only had one previ-

LONDON THEATER

ous staging, in 1959. Now the Peter Hall Company at the Playhouse has brought it back to magnificently full-throated, sub-operatic life.

For this is not your ritual Williams dark night of the Southern soul. It's a joyous drama about the health-giving properties of sheer sex, written at a time when Tennessee had just discovered his passion for the Sicilian Frank Merlo.

*In the play, such were the puri*tan constraints of the time, his *semi-autobiographical figure is* Serafina, a Sicilian widow living in an Italian community on the gulf coast near New Orleans. When we first meet her, a long period of mourning for her truck-driver husband has been rudely interrupted by the discovery of *his infidelities* and from there on, in Julie Walters's richly over-the-top blowsiness, Serafina comes back to her *sense of life and love,* much helped by the arrival in her bed of another truck driver, played in a state of some bemusement by Ken Stott.

The rose tattoo of the title is itself a symbol of fertility and conception, and the play exudes a warm mix of sentimentality and superstition. Serafina's reawakening is witnessed by countless neighbors who seem to have wandered in *from the back of an opera crowd,* presided over by Pat Hayes as a manic old crone about as neighborly as the Wicked Witch of the West.

But the evening belongs to Walters, padded out in the chest to resemble a de Sica movie star of the Neapolitan 1950s and rampaging around her minuscule apartment as if lust itself was something she had just found in the refrigerator and was now about to bring to a boil on the stove. Peter Hall's production, while it occasionally leaves all its extras whirling around on a revolving stage as if awaiting a really good chorus number, elsewhere allows Walters to give the great sun-drenched flamboyant star performance of this rainsoaked London *summer. It is* both wild and very welcome, an animal performance of *blazing sexuality and fierce passion.*

Elsewhere in the West End are two musicals from 20 years ago. At the Vandeville, "70 Girls 70" is the London premiere of a Kander and Ebb score which, loosely derived from a Shaftesbury Avenue comedy of the 1950s called "Breath of Spring," celebrates a group of old vaudeville hoofers who turn themselves into a gang of safecrackers to *raise money for the purchase of* their retirement home. That is the *plot, not just in essence but in its* entirety, but John Kander and Fred Ebb have never been strong on plot.

What they are strong on is anthem-numbers celebrating the glories of show business and urban glitz. Here we get "Coffee in a Cardboard Cup" and the ritual all-singing, all-dancing busboy, as well as a wonderfully wry little ditty in *which two ancient singers in the* teatime of their career mock our *prurient interest in their surviving* sexuality: "Do We or Don't We?"

This production by Paul Kerryson scored a considerable hit on the studio stage of last summer's Chichester Festival, and in its move to the Vandeville it has retained all its original veteran energy and charm, despite disastrous overamplification. It has also retained the gorgeous central performance of Dora Bryan as den mother to the ancient thieves, one marked by a gently mocking cynicism of the show's more outrageous sentimentality and by a gala finale in which *she descends from the heavens on a* crescent moon to tell her gang, and us, to "Say Yes" to life. The original Broadway flop meant that a smashing score was lost for two decades, but now that we have it back Bryan, Joan Savage and Stephanie Voss do it proud.

To the London Palladium comes "Joseph and the Amazing Technicolor Dreamcoat," which established the reputations of Andrew Lloyd Webber and Tim Rice in 1972, though the show had started out as a 20-minute school concert four years before that. The original, wistful childhood innocence is now *hard to locate amid the clouds of* dry ice and the paraphernalia of a *marathon rock concert,* but just occasionally in the lyrics one still hears echoes of the wit that has been lost to Lloyd Webber shows in the 15 years since the end of the Rice partnership.

With Jason Donovan leading a large cast of teenyboppers we have here the bland leading the bland, though there is mercifully one great performance from Linzi Hateley as the narrator, the most exciting musical star debut since Elaine Paige in another Rice-LLoyd Webber score back in the mid-'70s. Elsewhere not a lot, except for a very short spore that has to be sung *virtually twice through to justify* Palladium prices.

Michael Le Poer Trench

John Haynes

Jason Donovan in "Joseph and the Amazing Technicolor Dreamcoat," left, and Dora Bryan in "70 Girls 70."

Getting Writers Right on Screen

By Caryn James
New York Times Service

NEW YORK — When famous writers are portrayed on screen, their *working lives seem too hard, too* easy, too sententious or too silly, but rarely just right. Playing Lillian Hellman in the 1977 film "Julia," Jane Fonda becomes so frustrated that she tosses her typewriter out the window. As Isak Dinesen in "Out of Africa" in 1985, Meryl Streep entertains her dinner guests by telling eloquent stories, spinning out tales as effortlessly as if the muse were sitting on her shoulder. The all-too-prescient "Henry and June" (1990) allows Fred Ward as Henry Miller to keep insisting that no one will publish his scandalous novels. Sure, Henry.

Two current films offer refreshing correctives to those skewed images of writers. Jane Campion's "An Angel at My Table," based on the autobiography of the New Zealand novelist *Janet Frame, is a richly realized yet understated* movie that depicts a writer's sensibility forged in childhood. And in the witty, *irreverent* "Impromptu," directed by James Lapine, Judy Davis plays George Sand in hot pursuit of Chopin, practically strewing manuscript pages of novels and memoirs in her wake.

Both filmmakers know better than to try to turn a writer inside out and project the inner drama of composition on the screen. Instead, they create personalities that might plausibly invent novels.

"An Angel at My Table" enjoys an advantage outside New Zealand: Janet Frame is relatively little known outside her own country. *There is no long shadow of history looming* over the film, no sense that its heroine is destined to be a writer. Janet is a character free to develop in any direction.

Originally made for Australian television, the film is divided into three parts that trace Janet from her early childhood in a poor but lively family (when she is played by Alexia Keogh) through her 30s (played by Kerry Fox). Surprisingly, the section that reveals the most about her literary life is the first. There, she is a chubby, frizzy-haired schoolgirl in torn sweaters — a bit of a misfit — with a feel for language *and a strong imagination.*

Her artistic qualities are mere glimmers. She *writes an ordinary little poem for school and* rejects her sister's suggestion that the line "the evening shadows touch the sky" must give way to the more "poetic" phrase "tint the sky."

In fact, as Janet grows older, the film takes her writing more and more for granted and concentrates on other dramas. Misdiagnosed as schizophrenic, she was in a hospital for eight years and was saved from a lobotomy when a doctor noticed that her book of stories, "The Lagoon," had won a literary prize.

The ultramodern zest with which George Sand and her coterie are depicted in "Impromptu" could not be more different from the calm and grace of "An Angel at My Table." Yet here, too, is a writer whose life makes the existence of her art believable. "Me? Suffer for art? You must be joking," George tells Chopin. "I suffer quite enough for life!" Her claim to just churn out pages is at least partly true, for she was a prolific and uneven author.

"Impromptu" is less about Sand's writing, though, than about social and emotional attitudes toward art. The most laughable creature is a flighty, rich duchess (Emma Thompson) *who invites Sand, Chopin, Lizst and Delacroix* to her country house and adorns them with laurel wreaths as they arrive, crowning them "the nobility of genius." To the artists, she represents a free vacation.

Ophuls, 30 Others Win MacArthur Grants

Compiled by Our Staff From Dispatches

CHICAGO — Dancers, poets, mathematicians, historians, musicians and a day-care expert are among 31 *recipients of five-year fellowships* from the John D. and Catherine T. MacArthur Foundation.

Among the better-known winners of the grants — which cannot be applied for, and have come to be referred to as genius awards — was the pianist Cecil Taylor, 62, who will collect $365,000 in recognition of his ground-breaking, percussive jazz. The filmmaker Marcel Ophuls, 63, who made *"The Sorrow and the Pity,"* was given a $369,000 grant.

The other winners:

Jacqueline K. Barton, 39, chemistry professor, California Institute of Technology, Pasadena, California; $250,000.

Paul Berman 41, literary critic, New York; $260,000.

James F. Blinn, 42, computer graphics animator, California Institute of Technology, $265,000.

Taylor Branch, 44, historian-author, Baltimore; $275,000.

Trisha Brown, 54, dancer-choreographer, New York; $325,000.

Mari Jo Buhle, 47, political history professor, Brown University, Providence, Rhode Island; $290,000.

Patricia Smith Churchland, 47, philosophy professor, University of California, San Diego; $290,000.

David Dondo, 34, statistician, Stanford University, Palo Alto, California; $225,000.

Steven Feld, 41, ethnomusicologist, University of Texas, Austin; $260,000.

Alice Fulton, 39, English professor, University of Michigan at Ann Arbor; $250,000.

Guillermo Gómez-Peña, 35, cultural theorist-performer; San Diego; $230,000.

Jerzy Grotowski, 57, director-drama theorist, Pontedera, Italy; $340,000.

David Hammons, 47, artist, New York; $290,000.

Sophia Bracy Harris, 41, executive director of the Federation of Child Care Centers of Alabama, Montgomery, Alabama; $260,000.

W. Lewis Hyde, 45, professor-writer, Kenyon College, Gambier, Ohio; $280,000.

Ali Akbar Khan, 69, performer-composer, San Anselmo, California; $375,000.

Sergiu Klainerman, 41, mathematics professor, Princeton University, Princeton, New Jersey; $260,000.

Martin E. Kreitman, 38, population geneticist, Princeton University, $245,000.

Harlan R. Lane, 54, psychologist-linguist, Northeastern University, Boston; $325,000.

William J. Linder, 55, pastor of St. Rose of Lima Church, Newark, New Jersey; $330,000.

Patricia Locke, 63, executor of the International Native American Language Institute, Standing Rock Reservation, South Dakota; $369,000.

Mark Morris, 34, dancer-choreographer, Brussels; $225,000.

Arnold Rampersad, 49, English professor, Princeton University; $300,000.

Gunther Schuller, 65, composer-conductor, Newton, Massachusetts; $374,000.

Joel Schwartz, 44, environmental epidemiologist, Washington, D.C.; $275,000.

Julie Taymor, 38, writer-director, New York, $245,000.

David Werner, 56, director, Hesperian Foundation, Palo Alto, California; $335,000.

James A. Westphal, 61, professor of planetary sciences, California Institute of Technology, $360,000.

Eleanor Wilner, 52, poet, Warren Wilson College, Swannanoa, North Carolina; $315,000.

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ACROSS

1 A visit
5 A brig has two
10 Movie terrier
14 Turkish regiment
15 Prefix with coastal or mural
16 Bash on the noggin
17 Senate gofer
18 Darling
20 Irish playwright
22 Some saxophones
23 Basements
25 "You —— Love," 1927 song
26 Runt
27 One of the Magi
31 Sea gull's relative
32 Grown-up fillies
35 British mil. school
36 Storm, to Simone
38 The "A" in MOMA
39 Besmirch
41 Brooch
42 Lectured
44 Adolescent affliction
45 Staid
47 Move to action
49 Journey segment
50 Using the staff's work
52 Hesitate
55 Appearances
56 Juliet, to Romeo
59 Retained
63 Not of the cloth
64 Wiser
65 Hyena's home
66 Feminine suffix
67 Bergen's Mortimer
68 Bar passer: Abbr.

DOWN

1 Toy-pistol ammo
2 Pie —— mode
3 Fall behind
4 Saar swain's darling
5 Accident
6 Sadat
7 British guns
8 Three, in Turino
9 Held a session
10 White poplars
11 Love —— (small sofa)
12 Poi source
13 Pismires
19 Badger
21 Street of horrors
23 Lille lover's darling
24 Mission
25 Iron or Stone
28 Lens settings
28 Concise summary
29 Spanish suitor's darling
30 Street show
32 Chinese Chairman, once
33 Ararat lander
34 Map abbr.
37 Regard highly
40 Irishman's darling
43 Tee
46 ——-Lorraine
47 "Music —— with you . . .": Aiken
48 Negative prefix
50 Reflection
51 Saltpeter
52 Nap
53 Premed study
54 Entity
57 W.W. II cloak-and-dagger outfit
58 Bled
60 Enjoy the takeout
61 Set aflame
62 Thirsty

Solution to Previous Puzzle

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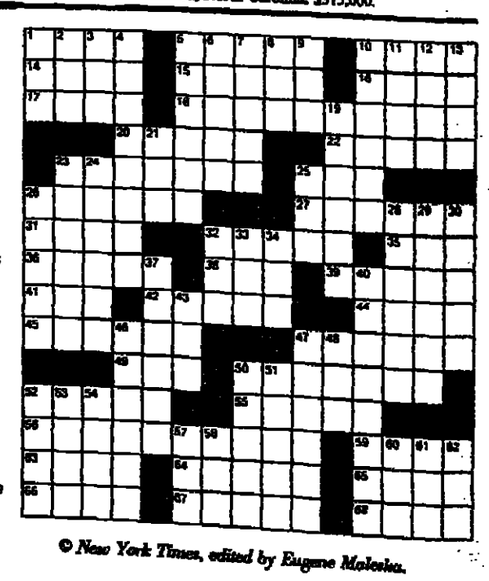

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International Herald Tribune A Special Report Wednesday, June 19, 1991

Technology Quarterly

France Tests Toll-Paying Smart Cards

By Jacques Neher

PARIS — A new generation of "smart card" systems is being developed that will permit users to gain access to buildings, highways and other secured areas without having to hand over, or even touch, their card.

The system, which links the silicon chip-encrusted card to computer-processing systems by radio waves instead of direct contact, promises many applications where it is desirable to control and monitor access without hindering the flow of traffic, be it people or vehicles.

So-called distance reading systems have been under development in the past five years by electronics companies in France, the United States, Britain and the Netherlands.

One such system is being tested by Cofiroute, a company that builds and operates toll roads in France. The concept, called *télépéage*, makes use of a distance reading system to collect tolls from highway users without the driver having to stop to pay.

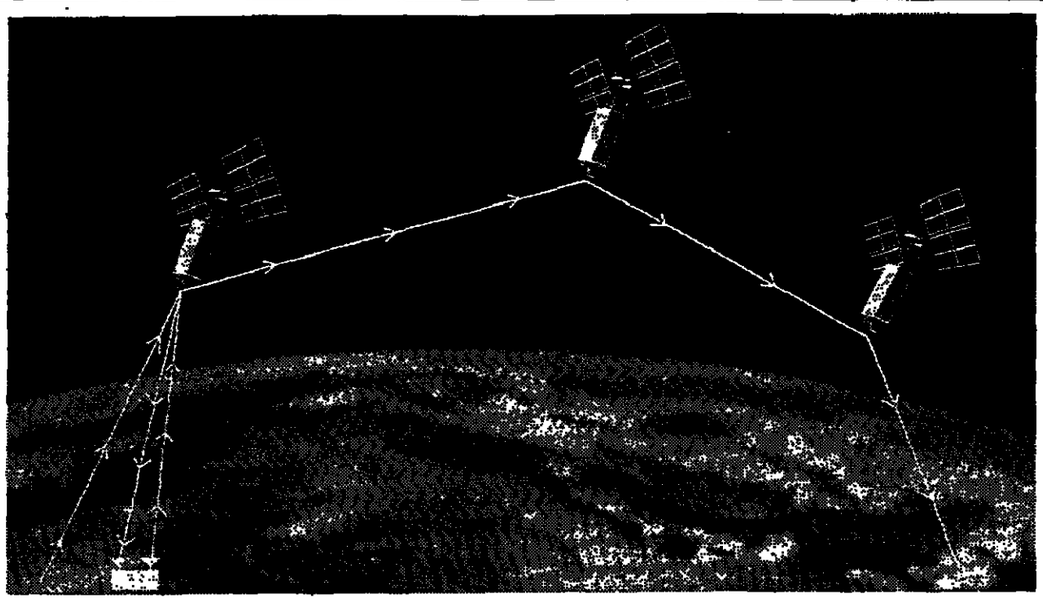
Cofiroute installed the system at the beginning of a 20 kilometer (12 mile) toll road near Dourdan, a suburb south of Paris, last November, and in the first six months since then, it has sold re-usable electronic toll cards to 107,000 commuters, or about a quarter of the vehicles using the highway from that point.

"There were some problems in fine-tuning the system at the start, which we expected, but since then it has operated very well," said François Molle, marketing director for Cofiroute. "We did a survey of our télépéage clients recently and found that 98 percent were satisfied."

The heart of the system is a rechargeable smart card, called a *télébadge*, that the driver buys at a tollbooth for 430 francs (about $70) — 200 francs as a deposit for the card plus 230 francs for 50 electronic passages to the highway. When the 50 passages are exhausted — one is subtracted automatically each time the card is read — the télébadge account can be "recharged" with another 50 trips for 230 francs more.

Unlike conventional smart cards that must be placed in a terminal to be read, such as the throwaway *télécartes* commonly used in public telephones in France instead of coins, télébadges are activated through induction by

Continued on page 10



The heart of the proposed $2.4 billion Iridium cellular phone system is a "constellation" of 77 satellites.

Cellular Phones With Global Ring

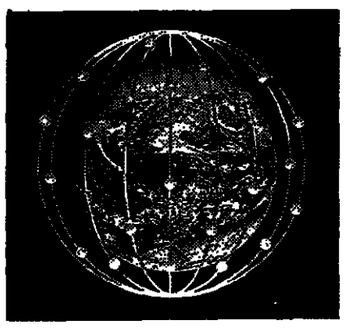
By Al Senia

PHOENIX, Arizona — Executives of the U.S. electronics firm Motorola Inc. are touting a multibillion-dollar plan to install a satellite-based cellular telephone system that would go into operation by 1996 and bring communications to the most remote spots on Earth.

A number of obstacles, not the least of which is a $2.4 billion price tag, need to be overcome before the system, dubbed Iridium, can begin operation.

An aerospace company has been selected to build the necessary satellites, preliminary discussions have begun with North American and European telecommunications companies, and Motorola has hired engineers and marketers to convince the rest of the world that the new system is useful and commercially viable.

In making their pitch for financial capital, company executives concede that the project will not be successful without financial and



technical support from foreign countries, especially Western Europe.

"Iridium brings personal communications to the world," said John Mitchell, Motorola vice chairman, when the system was announced last year. "It represents the potential for any person on the planet to communicate with any other. It is an ambitious concept which will bring us significantly closer to the global village."

In essence, Iridium is to be a satellite-based personal communications system that will provide commercial, rural and mobile service using either handheld mobile or transportable telephone units.

Motorola is pushing other companies and countries to join a consortium to operate and pay for the space portion of the system, about $2.1 billion of the $2.4 billion. Several memos of understanding have been reached with European companies, but so far only Motorola has actually committed working capital. The company says it will spend as much as $400 million on the project.

The system will use both digital switching and transmission to handle data and voice communications. The company envisions a constellation of 77 satellites, each orbiting at a height of 413 nautical miles to ensure that every point on the Earth's surface is continuously in the sight line of one or more of the satellites. Globe-hopping businessmen,

Continued on page 10

'On-Air' Computers Ride the Radio Waves

Experiment With Wireless Data Link Holds Promise for On-the-Go Users

By John Burgess

WASHINGTON — First it was the pocket pager, then the cellular phone. Now a new type of "wireless" communications device is appearing that may eventually become standard issue for field engineers, salespeople and other traveling professionals.

Call it the on-air rather than the on-line computer.

In its basic form, it is a laptop computer fitted with a radio. Electronic mail, spreadsheets, data bases — all can be sent or received over the air. There is no need to find a telephone.

These radio links can be costly and may transmit at slow speeds. Yet the convenience they can accord has led leading American companies to invest heavily in a gamble that they will proliferate as a key productivity tool in an emerging era of communications on-the-go.

Motorola Inc. and International Business Machines Corp. have operated a joint-venture network called Ardis Co. since last year. It now links close to 35,000 people in about 400 metropolitan areas in the United States.

Among them are about 500 field engineers of Otis Elevator Co., who often find in the middle of a job that they need technical data about the elevator they are working on or a list of parts stocked at the warehouse.

Previously, "repair people had to crawl out of a shaft to find a phone," said an Ardis spokeswoman, Barbara Wagner. They now can use small portable terminals to contact their company's computer data base by radio through Ardis and get the information, without leaving the shaft.

ANOTHER pioneer in radio data is the U.S. air courier service Federal Express Corp., which has put radio-linked terminals in close to 25,000 of the orange and purple vans that pick up and deliver packages across the United States.

"We don't have to depend on the courier to be in the van so we can talk to him over the voice channel," said Winn Stephenson, the Fedex's vice president of telecommunications systems. Messages arrive electronically and are stored in the cab computer, to be read when the driver returns from a customer's door.

In this way, drivers get instruction on where to go next. Once they pick up a package, its particulars are sent by radio data link back to a headquarters computer that will track it step-by-step on its journey.

Another advantage: Data makes more efficient use of the already crowded radio channels than the traditional voice microphone. Using voice, Fedex would need more than twice the number of radio channels, Mr. Stephenson said.

This system uses ground-based radio that does not work in many rural areas, due to limited range. Qualcomm Inc., a San Diego firm, has gone one step further, offering long-distance trucking companies data communications that function anywhere in the United States by using satellites.

SEVERAL thousand trucks that ply American highways now have tiny Qualcomm terminals in the cabs and antennae affixed to their roofs. Typed messages flow directly up to a satellite, then down to the trucking company's headquarters, allowing drivers and dispatchers to keep in touch during transcontinental journeys.

Murali Narayanan, director of communications strategies at American Telephone & Telegraph Co., another firm that is venturing into the new field, sees wireless data as the final step necessary to allow people to work anywhere — in an airport lounge, a hotel room or the photocopying room of a client's office.

This spring AT&T introduced a 7.3 pound (3.2 kilogram) portable machine called Safari, which it hopes will be the building block for a vast wireless grid. Testing will begin with selected AT&T sales staff this summer, using ordinary cellular telephone frequencies.

Mr. Narayanan gave this vision of the future: "You turn on the Safari and you get the same environment you'd have in the office. You'd have access to your data bases, send

Continued on page 10

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When Bayer, the distributors of Alka-Seltzer in Germany, connected to the Deutsche Bundespost data packet network, they gained access to a data communications system with proven performance and reliability.

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TECHNOLOGY THE WORLD CALLS ON.

Will the 6-Legged Telescope Fly?

By Steven Dickman

MUNICH — What has six legs and flies? An insect perhaps? Or an alien spacecraft? Wrong. It is a six-legged telescope called hexapod that is being developed in Germany, although some astronomers are not sure that it will even stand up, let alone be used in space, as its designers intend.

Instead of the standard, bulky, bottom-heavy telescope mounting, hexapod rests on an elegant spindle of six identical, piston-like legs — a configuration that promises significant advantages over traditional telescope technology.

The design takes some getting used to, even for the engineers working on the project.

"The first time I saw it," said Karl-Heinz Wesslau, an engineer of Jenoptik Carl Zeiss in Jena, "I said to myself, for God's sake, let's hope the thing doesn't fall over."

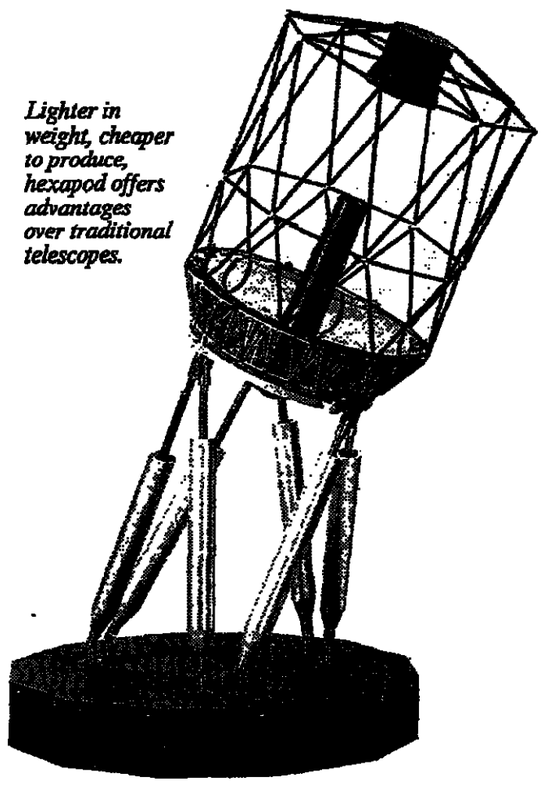
Despite the telescope's unorthodox appearance, it has met mostly with enthusiasm among astronomers. The hexapod project is a collaborative effort between Krupp Industrietechnik in Duisburg and the University of Bochum, as well as several subcontractors like Carl Zeiss Jena. The acid test for the telescope will come next year, when the group will complete its first prototype.

Ray Wilson of the European Southern Observatory, who has offered advice to the designers on the optics of the telescope, calls it "an exciting idea" although he cautions that a functioning six-legged telescope mounting will not be easy to achieve since the length of the legs must be adjusted over a large range with great accuracy.

Lighter in weight, cheaper to produce, with a tracking system only recently declassified, and including several patentable technologies, hexapod offers many advantages over traditional telescopes, all of which may lead to spinoffs in both astronomy and industry.

Traditional mountings, which rotate about two axes as the telescope tracks a heavenly object, are heavy because of the materials used and the mechanics required to turn the telescope around the two axes, called the altitude and the azimuth. A conventional telescope 1.2 meters (about 4 feet) in diameter can weigh as much as 30 tons, as against just 2 tons for a hexapod that size.

For the 12-meter telescope that is the ultimate goal of the hexapod designers, a hexapod would weigh about 10 times less than a conventional telescope, said Gerhard Schnur, project scientist and an astronomer at the University of Bochum. To achieve this, the designers replaced steel in the hexapod with lightweight carbon fibers.



Lighter in weight, cheaper to produce, hexapod offers advantages over traditional telescopes.

And by resting the telescope on a base consisting of just six legs, the designers have done away with all the machinery and the large heavy structure required to turn the telescope around the axes.

But this creates other problems. In order to move the telescope smoothly through the large range of motion required, the hexapod team has had to overcome a familiar problem: Because of friction, it is hard to start moving a piston (or a leg) without a jerky motion, because it tends first to stick, then to slip. This phenomenon, the so-called stick-slip effect, could be fatal to the accuracy of a telescope that has to achieve a very high resolution.

Mr. Schnur and Karl-Heinz Stenvers of Krupp are confident that the necessary accuracy will be obtained, although because of patent considerations they will not reveal how they can achieve it. But they assert that the motion is already so smooth that the no-stick-slip effect can be measured even by high-precision laser devices called interferometers.

The pointing system of the hexapod is also revolutionary. Borrowed from ballistic missiles, the inertial guidance system that keeps the device pointed accurately is being used for the first time in a telescope. Mr. Schnur said the technology was so secret that until recently even the German subsidiary of Honeywell, which had developed these systems for the U.S. military, had to create its inertial guidance technology from scratch.

Traditional telescope pointing is based on an analog system that compares the rotation of the telescope around each axis to a carefully calibrated ring in order to determine its position.

The inertial guidance system features a closed cavity inside of which two laser beams rotate in opposite directions, one clockwise and the other counterclockwise. As they pass each other, their contrary motion causes a standing pattern of interference fringes, like the interference pattern created by two faucets dripping steadily into the same pool of water.

As the telescope moves, the number of fringes increases proportionally to the movement. The fringes are projected through a slit to an electronic detector outside the cavity, which counts them in order to determine the telescope's exact position.

Inertial guidance systems using lasers or other methods to measure motion independent of outside references could be the wave of the future in telescope design, said Mr. Schnur, since they are both lighter and easier to mount than traditional pointing systems.

Mr. Wilson confirmed that the European Southern Observatory has started to look into inertial guidance as a possibility for its next generation of telescopes.

FINALLY, hexapod's mirror also makes it special. The trend in astronomy is to use ever-thinner mirrors, a development that is only possible if one compensates for the inevitable bending that occurs.

Mr. Wilson and others developed a system of movable supports known as "active optics," and hexapod is one of the first telescopes to be designed with this system in mind.

Enthusiasm, however, for the project has been far from unanimous. Klaus Fricke of the University of Göttingen told the British journal Nature in 1989 that "half the world is laughing" at the hexapod proposal, which had been submitted as a potential candidate for a then-planned German Large Telescope.

That project, which called for Germany to build or cooperate on a huge 12-meter telescope, has been frozen by the German Research and Technology Ministry.

But even without the likelihood of a huge contract in Germany, Mr. Stenvers sees the potential for a large international market for hexapod once it has proven itself, especially because its advanced materials offer the possibility of relatively inexpensive mass production. If hexapod proves to be as reliable, accurate and cost-effective as its designers expect, it could quickly become a leading candidate for extraterrestrial astronomy projects.

STEVEN DICKMAN is the Munich correspondent for Nature, the British journal.

"Wireless" computers now link close to 35,000 people in about 400 metropolitan areas in the United States.

Computers Trade Wire for Radio Waves

Continued from page 9

electronic mail ... you would be able to do anything that you can do in your office."

This type of convenience is already available, if you can find a telephone to hook the computer to. But often phones just aren't available. When they are, using them may entail holding computer and connecting cables awkwardly up to a payphone or cajoling a secretary at a client company to vacate a desk.

While most applications of radio data focus on people on the move, others are meant for immobile desk-top computers. Rather than ripping up floors and laying costly cables to link various machines in a particular office electronically, some companies are starting to find it economical to use low-powered radio instead for that few feet of separation.

All of these uses place added pressure on the world's finite supply of radio frequencies. This shortage of channels, many analysts believe, could place a serious crimp on the number of people able to use the technology.

Many current systems use existing cellular telephone frequencies, putting data where a conversation would normally be. But this method is costly (just as talking on cellular phones is) and, with a lot of background noise on the line, is not well suited to data transmission.

The human ear can fill in the blanks of a conversation that is punctuated by static. A computer has trouble and must be equipped with complex "error correction" software that slows down transmission speed considerably.

Most analysts feel that to take off, these systems will need their own dedicated spectrum, as a few, such as Ardis, already have. That would mean wrestling spectrum away from other users to whom it has already been assigned.

The Federal Communications Commission, the U.S. agency which oversees radio frequencies, is looking at a major overhaul of the U.S. division of the frequency spoils, feeling that the current split may be obstructing the introduction of valuable new technologies.

Such proceedings take years, however, with highly paid lawyers from interested parties arguing it out and more often than not filing appeals in the courts when they lose.

In the meantime, companies such as AT&T are studying "compression" technology, the art of shrinking data down to its essentials when it goes over the air, then re-expanding it to usable form at the other end. That allows them to make the maximum use of frequencies that are available.

Cost is another challenge. The units carry hefty price tags and every minute spent on the air generates another bill. Mr. Narsayanan estimates that a one-page electronic mail message sent over a regular phone line would cost 40 cents; over a cellular link it would be about $1.20.

Finally, there is the unknown factor of demand. Is the convenience and cost of wireless sufficient to persuade enough buyers to shell out? Not everyone says yes, at least for now. Dell Computer Corp., an Austin-based maker of personal computers and laptops, is among the skeptics. "People aren't ready to buy it," said Joel J. Kocher, the Dell senior vice president.

JOHN BURGESS writes on business and technology for The Washington Post.

Cellular Phone System With Global Ring

Continued from page 9

workers on oil derricks and others in remote locations with no existing telephone service would be potential clients.

Unlike larger conventional, high orbit communications satellites, the 77 Iridium spacecraft would be small and placed in a low orbit, allowing for easy radio links with cellular phones and crisp sound without echoes or delays, according to Motorola.

The satellite network will include seven planes of 11 satellites, each in circular polar orbits. Each satellite will be capable of operating 37 cells, which are projected onto the Earth's service. Officials say these separate cells allow for higher gain antenna beams and for spectral efficiency in the system, since different cells are able to re-use frequencies and service different customers with the same channel.

Motorola executives say the rotating satellite constellation and its projection of cells is roughly analogous to an Earth-based cellular telephone system. With cellular telephones, a static set of cells serves a large number of customers. With Iridium, the users will move at a relatively slow pace compared to the orbiting spacecraft, so the users seem static and the cells move. Proponents believe Iridium will have a technical advantage over present cellular systems because handoffs required from cell to cell will largely be in only one direction.

The system would also include dozens of space-to-Earth gateways that would interface into the publicly switched telephone network in the United States and abroad, allowing use of the cellular telephone in a customer's home country. Motorola intends to market phones that contain a switch allowing users to move from the Iridium system to cellular phone systems in specific countries such as the United States, Britain, France and Japan.

Users would pay $3,000 per phone, $3 a minute and $50 a month to use the service. Executives expect the cost of the telephone hardware to drop as low as $1,000 as customers sign up.

Motorola envisons 600,000 to 800,000 users within the first five years. Plans are to formally establish the consortium this year, begin launching the satellites in 1994 and have the system go into operation by 1996.

Barry Bertinger, assistant general manager of Motorola's Satellite Communications Division in Phoenix, said that Iridium is designed to supplement, not compete, with existing cellular telephone systems.

"Within the system, we are incorporating existing ground technology," he said. "We see this system as an adjunct to existing cellular systems, something that gives people an additional reason to use the cellular phone" since it would now operate in remote areas.

Mr. Bertinger added that the physical limitations of the satellites, the gateways and the frequencies and spectrum to be used constrain the number of callers allowed in a given area, making it unsuitable for large-scale use in large North American or European cities. The system would work best where traffic density is low, such as over oceans, sparsely populated areas and in markets where personal communication systems are just emerging.

In some respects, the fact that Iridium does not compete head-on with existing cellular systems is a selling point. Motorola needs to license Iridium in each individual country. As a supplemental system it is less threatening to existing telecommunications operations, especially where government-owned. Each nation would also allocate its spectrum for uplinks and downlinks as it sees fit.

"The ultimate decision as to how the electromagnetic system works is up to each country," said Mr. Bertinger. "We have talked to over 30 countries now, and there isn't a country that hasn't said they won't allow the system in."

However, to be successful, Iridium also needs telecommunications companies from different countries to invest capital in the venture. At least 20 gateways around the world need to be set up to make the system fly.

Despite the political and economic complexities involved in launching the venture, significant progress has been made. "Several countries have agreed to license Iridium," said Mr. Bertinger, declining to give details. The licensees are private or government telephone companies that would market the system in their countries and collect a fee from each user.

LAST June, Motorola signed a memorandum of understanding with the International Maritime Satellite Organization (Inmarsat) of London, the American Mobile Satellite Corp.of Washington, D.C., and Telesat Mobile Inc. of Canada to "jointly explore the potential" of Iridium.

Most significantly, in March, Motorola selected Lockheed Missiles & Space Co. of Sunnyvale, California, to design and build the satellites and form an international industrial team that is likely to include some European aerospace firms. Seventeen European, Japanese and U.S. companies were considered for the contract, but officials said Lockheed was selected because of its experience in building sophisticated, small, low-orbit satellites. Most of Lockheed unit's contract work has come from the U.S. government.

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Paying Tolls By Smart Card

Continued from page 9

high-frequency radio waves, permitting the transaction to be processed by a nearby "reader" while the card, mounted on the car windshield, passes by at a speed of 40 kilometers (25 miles) an hour.

In operation, the car approaching the tollbooth is led into a specially marked lane equipped with an antenna-reader that emits a 3.25 megahertz radio signal. When the passing car comes within the wave field of the antenna, the radio waves activate the electronic circuits in the badge, causing it to "answer" the inquiring antenna-reader with identifying information. This includes the name of the tollbooth and the personal code of the driver.

The reader then sends this information via cable to a computer system which verifies that the card has not been reported stolen and that the driver's télébadge electronic account still has "tolls" left.

Once verification is complete, a few milliseconds later, the computer tells a signaling system to flash a green light and lift a barrier to the approaching vehicle. Once the barrier is passed, the computer debits a passage unit from the card-owner's account.

When the télébadge account has only five units left, a sign lights up, instructing the driver to recharge the account.

If the card is no longer valid, the car is then diverted by signals to a conventional tollbooth.

"We've had zero-fault readings at speeds as high as 70 kilometers an hour, but we're operating at 40 kilometers an hour in the pilot system to give a good margin of safety," said Bernard Constans, technical director for Matra Security Systems, a unit of the French electronics and defense systems group, Matra SA. Matra Security Systems and another French company, Setec, developed the télépéage system used by Cofiroute.

Mr. Molle of Cofiroute said the system is particularly useful for avoiding congestion at tollbooth locations that must handle heavy commuter traffic at rush hour, but very light traffic at other times. In the case of Dourdan, the télépéage system saved the cost of constructing several additional lanes to handle the peak traffic.

The system can process 1,200 cars an hour, versus the 200 to 500 cars an hour handled by conventional manual tollbooths.

Mr. Molle said the test would continue for some time before the company decides whether to install the system elsewhere.

"The system will likely be developed further, but whether it's in one year, five years or 10 years, I don't know," he said.

The system, its backers say, also has applications in controlling access to high security areas, such as factory parking lots.

Meanwhile, Matra and several other companies are working on distance reading systems that use hyperfrequencies as high as 10 gigahertz, or 10 billion cycles a second.

The advantage of hyperfrequency cards is that they can be read accurately at higher speeds, and, simultaneously, are useful for the monitoring of shipping and rail fleets. Amtech Corp. of Dallas has developed a hyperfrequency system that keeps track of intermodal shipping containers as they circulate around the world. It has also developed a system for the SNCF, the French national railroad, in which badges have been attached to the bottoms of 400 high-speed freight rail cars on a line between Lille and Marseille.

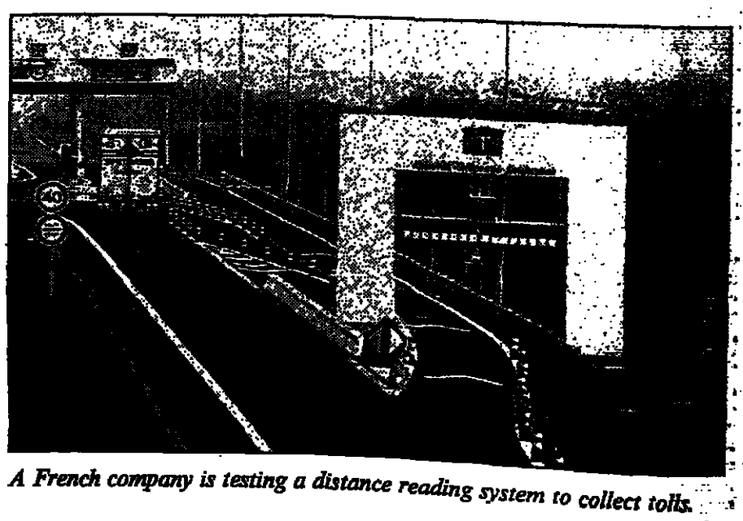
The cars are monitored by 70 reading stations, situated between the tracks, as they pass at speeds of 160 kilometers an hour. The information is fed into a standard computer, allowing the railroad to know the exact location of each car.

Amtech has also developed a hyperfrequency system for toll road applications. A toll road in Dallas and a toll bridge in New Orleans have installed the system.

Some companies are also working on building security systems that could employ hyperfrequency technology, permitting cardholders to pass through lobbies to their jobs without stopping to show or process an ID card.

Hyperfrequency cards are more costly to produce because they often must contain their own battery. Matra prices its télépéage card at about 150 francs, while hyperfrequency cards can run to more than 250 francs.

JACQUES NEHER is a Paris-based journalist.



A French company is testing a distance reading system to collect tolls.

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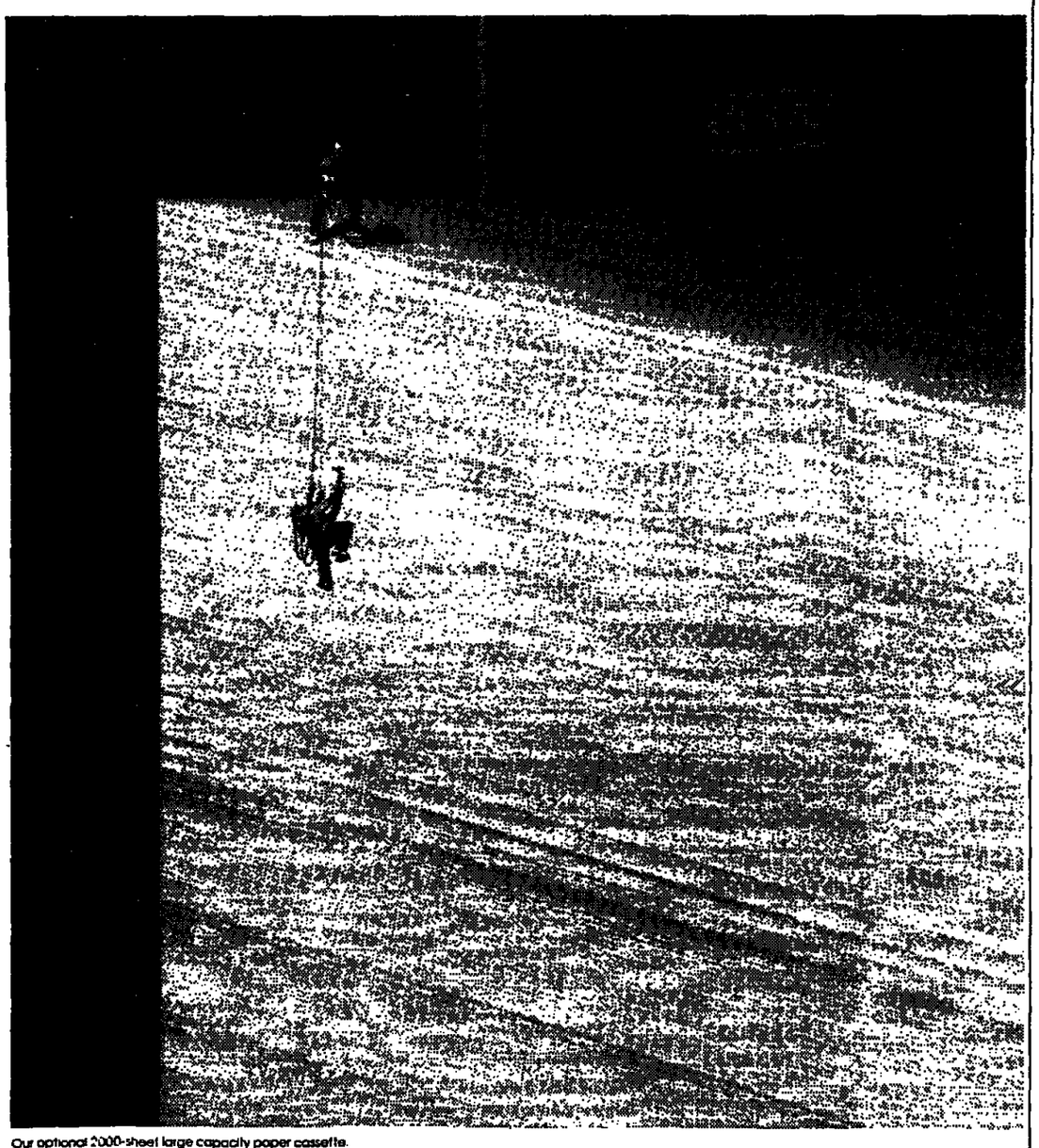

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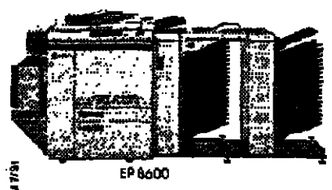

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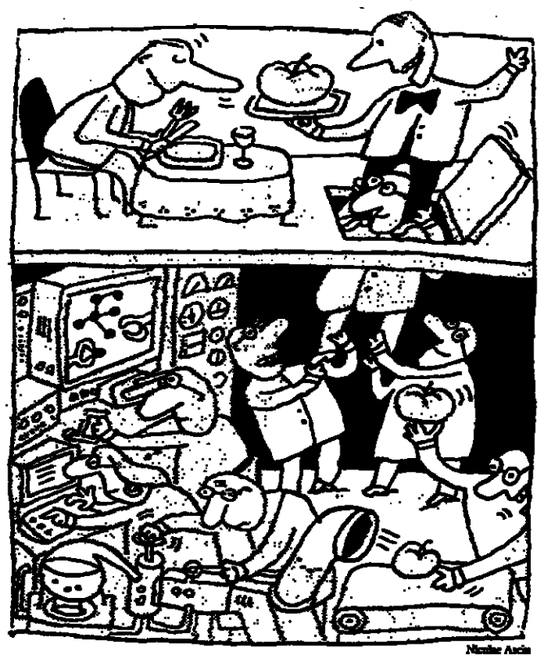
Time Is Ripe for the Bio-Tomato

'Antisense' Technique Slows Softening but Retains Flavor

By Michael Balter



Nicolas Ancin

PARIS — Anyone who has eaten a tomato in a city like New York or London, especially during the winter, might easily forget that the pale, rubbery orb on his or her plate is actually a fruit.

In fact, the further one gets from places like Spain and Greece, where tomatoes are still grown naturally in the soil, the more difficult it is to remember that the tomato was once thought to be an aphrodisiac and was popularly called a love apple, or, as the French say, *une pomme d'amour*.

Today, most of the greenhouse varieties you find in supermarkets in the United States and northern Europe have about as much succulence and sex appeal as a tennis ball.

The reason for this was perhaps best expressed by Shakespeare: "And so, from hour to hour, we ripe and ripe, and then from hour to hour, we rot and rot."

This timetable is literally true for the tomato. When picked ripe from the vine, it can easily turn into mush before it gets to market — especially if the market is thousands of miles away.

IN the United States, for example, where year-round demand for tomatoes has created a $4 billion retail industry, most farmers harvest the fruit while it is still green and ship it to its destination in refrigerated trucks or boxcars. It is then artificially ripened with ethylene gas, resulting in a tasteless product that has become the target of much consumer dissatisfaction, particularly among tourists returning from Tuscany after sampling their first *insalata pomodori*.

Now, two competing groups of researchers, one at Calgene, a biotechnology company based in Davis, California, and the other representing a collaboration between England's University of Nottingham and the British chemical giant ICI, have developed a tomato genetically engineered to ripen much more slowly, while retaining all the flavor and juiciness of the natural fruit.

Both groups have accomplished this by blocking the production of a key enzyme, known as polygalacturonase, or PG. Under normal conditions, PG breaks down the carbohydrate pectin, a major constituent of the tomato's cell walls.

While the ripening of a fruit may seem to be a simple, natural process to the casual observer, from a biochemical point of view it is quite complicated. Over the course of millions of years of evolution, fruits have developed sophisticated ways to make themselves attractive to animals, which eat them and pass the seeds back into the ground.

"In the tomato, there are at least 50 enzymes involved," said Colin Bird, a senior research scientist at ICI Seeds in Berkshire, England. "There are a whole load of biochemical pathways that determine color, flavor, texture, and so on. Some genes, like that for PG, are turned on during ripening, and others are turned off. For example, when a tomato turns red, it also loses its green chlorophyll."

For years, plant breeders have tried, without success, to create tomatoes that would take longer to cross over the fine line between ripe and rotten. The reason is that classical breeding methods produce a range of genetic changes that are often much wider than desired.

"There are always some deleterious effects on the other characteristics you want," said Daniel Wagster, Calgene's chief financial officer. "You end up with tomatoes that don't taste good, or are yellow or don't grow very well. Genetic engineering frees you completely from this problem. You can take the best plants and make them even better by adding only one new trait at a time."

To create the new tomato, both research groups have made use of "antisense technology," one of the neater tricks in the biotechnologist's kit bag. The antisense technique exploits what molecular biologists call their "central dogma," the fact that the blueprint for enzymes and other proteins is specified by a genetic code contained in the cell's DNA, or deoxyribonucleic acid.

The DNA, which is made up of two complementary molecular chains wrapped around each other in a double helix, in turn provides a template for the transcription of the code into a similar but single-stranded molecule called "messenger RNA." The messenger RNA is then "read" by other enzymes, which translate its message and produce the final protein product.

Normally, only one of the DNA molecule's two strands is transcribed; moreover, the one chosen depends on the direction in which the molecule is read. Keeping this in mind, the scientists have synthesized a second copy of the gene which contains the code for the pectin-degrading enzyme polygalacturonase, turned it around the other way, and inserted it into a soil bacterium which naturally infects the tomato plant.

When isolated tomato cells are mixed in a glass dish with the bacteria, some of them absorb the backwards gene into their own genetic material. These cells can then be germinated and reconstituted into fully grown plants.

The new tomato plant now has two PG genes: one which is read correctly, and a second which is read in a reverse, or antisense, direction. As a result, two complementary types of messenger RNA are created, which bind together — at least, this is what the researchers think happens — and cancel each other out.

Tomatoes genetically modified in this way produce very little of the PG enzyme, and thus the fruit softens very slowly while its other ripening characteristics, such as sweetness and color, develop at a normal pace.

"We've just taken a small amount of the tomato's own DNA, rearranged it slightly, and put it back in so that it does a different job," Mr. Bird said. "We've taken a series of naturally occurring events and kept only the steps we wanted."

BOTH Calgene and ICI have begun extensive field trials of their genetically engineered tomatoes, and Calgene has already received a U.S. patent for its process. The company hopes to have a commercial product available by 1993.

"We are now evaluating different varieties that have been considered less suitable for broad commerce," Mr. Wagster said, "Ones that taste good even if they haven't held up well in the handling process. And we are going back to varieties that are more akin to what you plant in your garden."

The ultimate success of the new product will no doubt depend on its acceptance by a public often concerned about the safety of new genetic technologies.

"People are only resistant to things they don't understand," said Mr. Bird. "The plants we are producing are thoroughly tested to ensure that nothing different from what we have predicted is going on. We measure all of the parameters that we know about."

MICHAEL BALTER is a Paris-based journalist.

R. Rossi/Sygma

A factory in Meiningen, Eastern Germany, that makes and repairs steam locomotives.

In the East, Recasting Old Tools

By T.W. Netter

GENEVA — In the Soviet Union, worn-out plowshares that were once abandoned are being refurbished. In Hungary, cracked engine blocks are being repaired rather than relegated to the junk yard. And in Poland, cash-strapped industries are saving millions of dollars in funds that had been used to buy replacement parts.

These are just a few examples of a technological rebirth in Eastern Europe as economic planners try to steer their shattered economies westward toward market forces and greater efficiency.

Before the revolutionary transition from centralized economies to market orientation, nearly everything that broke down or wore out in the East bloc was left to decay, creating a virtual "rust belt." As a result, factories were idled, trains sat on sidings, buses and trams broke down, fields were left unharvested and workers were unable to work.

The concept of industrial maintenance, which focused on just keeping old equipment running, was low technology at best. Often, industrial productivity would be strangled because a key part was unobtainable due to a lack of hard currency or shipment delays. Much emphasis was put on acquiring, at great cost, new, state-of-the-art equipment from the West.

Now, industrial and economic analysts say, a "new technology transfer" is under way. Increasingly, regenerative and reconstructive technology that involves the refurbishment of existing parts and equipment so that they last longer is quietly injecting new life into a number of outmoded, inefficient industries.

"There has been a long-term tendency in the East bloc to let equipment live far too long," said an official at the Geneva-based Economic Commission for Europe, a United Nations organization that studies economic, technical and scientific problems facing European countries, the Soviet Union, the United States and Canada. "In some of these Eastern economies, because of the way their systems work, the problems of maintenance of equipment have been systematically ignored."

Can technology make a real difference for the economies of these former East bloc countries? Here are some examples of how the regeneration of equipment is being applied:

- In the Soviet Union, the Ministry of Agriculture has been testing a process that involves the hardening of plow blades that when new plow 40 hectares (about 100 acres). The treated blades can plow at least double that amount. Experts in the Ukraine, the farm belt of the Soviet Union, expect to apply the technology to about two million plow blades a year.
- At the OZS farm tractor repair plant at Holesov, about 320 kilometers (200 miles) east of Prague, worn-out crankshafts were abandoned, creating a huge rust heap outside the plant. Now, repairs and the hardening of the crankshafts have eliminated the problem, and the OZS plant has begun refurbishing its rusted parts.
- In Poland, the FSM automobile plant located in Bielsko is applying tool treatment techniques developed for Western automotive plants run by Renault, Fiat, Opel and others. The result are die stamps that last three times longer than the originals. At other factories, forging hammers with 3 meter (10 foot) cracks are being repaired rather than replaced, and furnaces in cement factories that were down for maintenance for three months are now returning to production in 10 to 14 days.

"Millions of dollars can be saved by replacing the costly import of new spare parts with regenerated worn-out parts, at about 10 percent of the cost of new equipment," said a recent technological report published in the Warsaw daily Zycie Warszawy. "The additional advantages of this is that there is no need to take heavy machines apart, and that there is an extended life span of a regenerated part or machine over that of a new part."

Much of the technology currently being applied in the regeneration of existing parts has been in existence for nearly a century and is widely known in the industrialized world. But it has only recently been applied in Eastern Europe, partially because of the difficulties of penetrating that market and because of the inflexibility of managers under the old system.

"In one instance, the managers of a Hungarian agricultural enterprise were skeptical about the need to reduce their diet for spare parts, increase machine life and other standard, technical processes long known to engineers here in the West," said Valentin Stingelin, president of Eutectic & Castolin Institute. This privately held maintenance welding enterprise, based in Lausanne, Switzerland, pioneered many of the regenerative techniques.

"They found it hard to believe that this kind of technology could provide repaired parts that would perform better than new, or that a protective coating could make the part have a longer lifetime than the original," he said. "But we convinced them when we showed them how to repair an engine block with a crack 2 meters long."

The technological process devised by this and other firms in Europe involves the coating, rebuilding or joining of metal surfaces with metal alloys containing silver, tungsten, titanium and other wear-resistant and corrosion-resistant elements. This process can make worn-out parts work like new, or increase the life of existing equipment three to five times.

Engineers say that this kind of maintenance can result in enormous savings for industries such as manufacturing, cement and steel making, mines, agriculture and transportation.

T.W. NETTER is a journalist based in Geneva.

New Chapter in Bid to Save Books

By Douglas Sutton

The methods developed in Frankfurt represent a significant advance in terms of making technology available that can be applied by nontechnical library staffs.

FRANKFURT — Research and development now nearing completion at the Battelle Institute of Frankfurt may soon offer a solution long-needed by the world's libraries — a large-scale and commercially viable facility to stop the deterioration of their books.

The German Pilot Plant for Paper Deacidification, researchers admit, represents a late start compared to the work already done in other countries, chiefly the United States, Canada and France. But they say the project has largely succeeded in achieving the main aim of improving, both in environmental as well as in applied-technology terms, on the earlier methods used to neutralize and stop the acidic decomposition, or yellowing, of book pages.

And, with one new patent registered and another one pending, the methods and equipment developed in Frankfurt represent a significant advance in terms of making technology available that can be applied by nontechnical library staffs.

"This equipment is, of course, sophisticated and may look intimidating to the layman," commented Peter Schwerdt, a chemical engineer closely involved in the project, while recently showing a visitor around the pilot plant. "But what we're going to prove here is that this facility can be operated by people with a nontechnological background. After all, a washing machine on the inside is a complicated piece of equipment, but it can be run by anyone."

The Battelle Institute in Frankfurt, the main research and development center in Europe of the Battelle Corp., which is based in Columbus, Ohio, set three major goals when starting up the pilot plant last November:

- It sought to develop a closed system to eliminate the emission of ozone-killing chlorofluorocarbons, or CFCs, as paper deacidification facilities currently do.
- It wanted to speed up the entire process in order to make it possible for a single facility to treat hundreds of thousands of books per year, thus making it commercially viable.
- It aimed to establish fully automated process controls to enable the facility to be operated by nontechnical staff.

"After six months, we can say that the pilot plant has accomplished the pre-project aims," said Mr. Schwerdt. A final report on the work is being prepared for Bonn's Ministry for Research and Technology, which underwrote the project with 1.5 million Deutsche marks ($833,000).

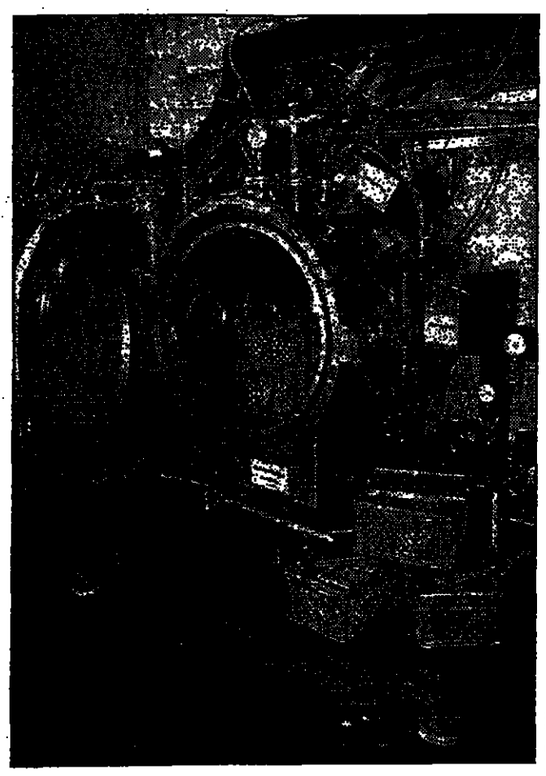
The basic procedure inside the facility's cylindrical-shaped treatment chamber involves pre-drying the books, then immersing them in a chemical solution, and then drying them out again.

The chemical solution neutralizes the acids that have been used in the industrial-scale production of paper since around the mid-19th century, and sets up an "alkaline buffer" in the paper's gridwork of fibers to stop any further deterioration of the pages — at least for two or three centuries.

Borrowing on methods used in Canada and at the French Bibliothèque Nationale's book restoration center at Sablé-sur-Sarthe, the Battelle facility was designed to eliminate negative environmental side effects. The chemical solution is a mixture of CFC-based collants and magnesium methylcarbonate, or MMC. But while other plants release CFCs into the atmosphere, the Frankfurt facility is a closed system that recycles them.

"About 98 percent of the CFCs are recovered and recycled using a condenser system," Mr. Schwerdt said. "The remaining 2 percent, in the form of a vapor, are absorbed and filtered by a molecular sieve so that the air released from the process has been cleansed."

The next major improvement on the previous technologies, and the process for which the institute has been awarded a patent, is the microwave drying system, which reduces the entire treatment cycle to three to four hours, compared with several days using other drying methods.



The treatment involves pre-drying the books, immersing them in a chemical solution, then drying them out again.

Attached to the outside of the treatment chamber are four microwave ovens that are used in the drying processes before and after the books have been immersed in the chemical solution.

"Basically, the microwave system, besides being faster, also assures a more even drying out of the books," Mr. Schwerdt said.

He noted that the French paper deacidification facility uses heat radiation from outside the chamber although the heat does not always penetrate the books evenly, or deeply enough, to dry out the inside pages of thick volumes.

"The microwave system, we've found, does have some limits," Mr. Schwerdt said. "For example, a heavy load of books — 60 to 70 kilograms [132 to 154 pounds] — does not always get as adequately dried out as do smaller loads. But in terms of speed and evenly applied heat, it is a major improvement."

Speed is one of the key factors in commercial viability, he noted. The Battelle pilot plant, operating at a greatly accelerated pace compared with other facilities, has an annual capacity for treating around 150,000 books.

"But this capacity is just a single treatment chamber," Mr. Schwerdt said. "The system, however, could be adapted to permit, say, three chambers to be operated in sequence, which could then triple capacity and reduce the per-book costs."

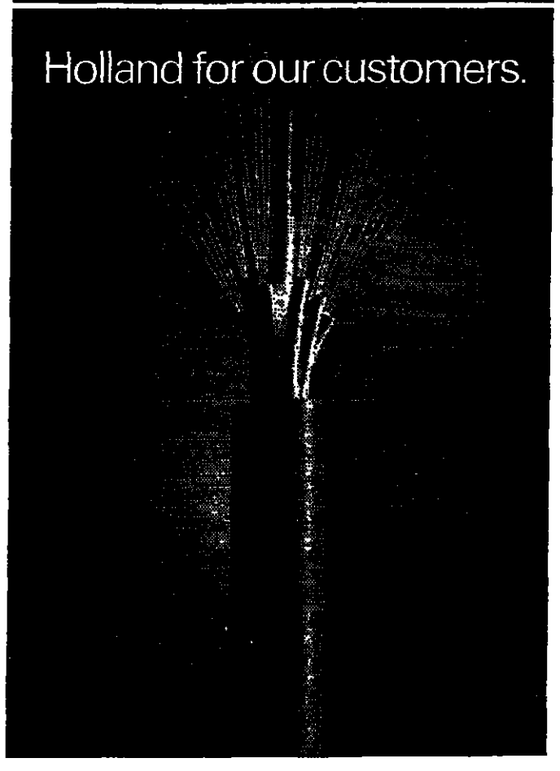
The aim is a per-book cost of 10 to 15 marks, depending on the size and type of book involved, which would make the Battelle facility competitive with other systems. But Mr. Schwerdt admitted that at this point in the development process, targeting the actual per-book costs "is still a guessing game."

The entire process — the treatment of the books coupled with the CFC recycling and air filter system — is regulated by a guidance and control system supplied by Siemens. Its computer program was developed by Battelle technicians.

It is this last feature that the institute believes can be the chief selling point once the facility is ready for the commercial market. While the Canadian and French techniques, as well as a Houston, Texas, plant that uses a highly explosive diethyl-zinc gas vapor to treat books, need to be operated by technicians, the Battelle equipment, with its automated controls, could be operated by librarians.

Meanwhile, research work is continuing to try to find an alternative to the CFC-based solvent.

DOUGLAS SUTTON is a business-economics editor at the German Press Agency (DPA) in Hamburg.



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BUSINESS/FINANCE

** WEDNESDAY, JUNE 19, 1991

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At Age 700, Switzerland Wonders If It's Time for a Change

By Richard E. Smith
International Herald Tribune

ZURICH — Switzerland, watching warily as Europe gropes toward unity, is in the throes of a national identity crisis as it struggles to decide what is happening and where it fits.

While the country celebrates 700 years of scrappy self-sufficiency this year and at the same time sees the European Community prepare to launch its single market, a growing unease seems to be pervading Swiss society on many levels.

Both literati and captains of industry issue calls for deep-seated changes. Cracks are emerging in the wall of banking secrecy and the country's inflation is nearly as high as Italy's. More than a third of the voters wanted to abolish the army, and women have gone on strike.

"After years of almost unbelievable prosperity, it may be time to scratch our heads and ask where we are going," said Rainer Gut, chairman of Credit Suisse.

As in much of the past seven centuries, the key question is the relationship to much larger and historically less stable neighbors — France, Germany, Italy and Austria.

With the EC catalyzing major changes in all of those countries and most of the rest of the continent, the Swiss seem genuinely puzzled about the direction they should take.

Fritz Leutwiler, chairman of BBC Brown Boveri and former president of Swiss National Bank, recently accused the government of failing to provide leadership on the issue of the country's relationship to Europe and said there was "total confusion" in the population.

Many Swiss, including both Social Democrats and bankers, fear that their tiny country cannot afford to go it alone and miss out on the historic unification of the continent. The prospect seems all the more stark to them since the EC has a population of nearly 350 million people, and Switzerland less than seven million.

Others see the European Community degenerating into a swamp of centralized bureaucracy from which Switzerland could stand out as an island of robust free markets, a sort of Hong Kong in which foreign interests could base European operations and make forays into the EC.

The country's largest newspaper, Zurich's Tagesanzeiger, asked recently whether most businessmen wanted to prepare the country for entry into the EC or whether more saw "an island of the blessed in the middle of Europe, a sort of Monaco as a financial, tax, research and high-tech paradise."

The stakes for Switzerland are high.

More than 70 percent of Swiss imports come from the EC and nearly 60 percent of its exports go to EC countries. Viewed from the perspective of the EC, Switzerland is the bloc's second-most-important market after the United States and its third-largest supplier, accounting for 8 percent of total EC imports and almost 10 percent of exports.

As a result of such ties, any serious barriers to trade thrown up by the EC to outsiders could be devastating for the Swiss economy.

But economists generally doubt that the EC would systematically squeeze out such an established trade partner. In addition, Switzerland is a member of the European Free Trade Association, a group of countries that is negotiating extensive links with the EC, and Bern has shown flexibility on several occasions when major EC interests are at stake.

In a move to coax Switzerland into signing a treaty establishing a 19-nation European Economic Area, the EC decided Monday to exclude Alpine transit routes from the treaty that would establish the organization, which would be composed of EC and European Free Trade Association members.

The Swiss have in the past refused to allow heavy trucks on their Alpine roads. The EC's decision to exclude the issue should ease opposition to the treaty, which the government is to discuss at a closed meeting on Wednesday.

In a study commissioned by the government, Heinz Hauser of the University of St. Gallen concluded that gross national product might grow appreciably faster if greater links are established with the rest of Europe.

But he also concluded that Switzerland could liberalize on its own and maintain strong markets as long as the EC and other European states do not cut it off, an unlikely development in his opinion.

In any case, the prospects of a Swiss application to join the EC seem remote in the near term, although the Swiss upper house of Parliament voted on Tuesday to join two other international institutions, the World Bank and International Monetary Fund.

The population sharply turned back a proposal several weeks ago that would have aligned part of the Swiss tax system to EC patterns, a vote widely seen as a rebuff to EC membership for the time being.

The vote reflected many of the worries about loss of independence that are cropping up constantly within the EC, but run even deeper in a country that has voted against even United Nations membership.

MEDIA MARKETS

Linking Pay to Results: Early Enthusiasm Fades

By Stuart Elliott
New York Times Service

NEW YORK — In recent years, the concept of paying advertising agencies based on criteria like how well sales pitches sell products has been one of the hottest trends in the business.

But the latest version of an annual survey of client-agency relationships suggests that the appeal of the concept, known as performance-based compensation, may be waning.

A preview of the 1991 Salz Survey of Advertiser-Agency Relations showed a surprising shift in attitudes toward such compensation practices, said Nancy L. Salz, an industry consultant and author. She is head of Nancy L. Salz Consulting, a New York-based firm that specializes in counseling companies on ways to improve relations with their agencies.

After 82% last year, only 53% of agencies now like the system.

In the last five years, companies like RJR Nabisco Inc. and Campbell Soup Co. have been switching to systems that compensate their agencies according to performance criteria.

For instance, last week's issue of the trade publication Advertising Age reported that Unilever PLC is testing such a system to pay five of its agencies in Britain, including Ogilvy & Mather and McCann-Erickson U.K., and is considering doing likewise in Europe.

Yet the new Salz study, which surveys the top 200 U.S. advertisers on a variety of issues, indicates that performance-based compensation "is becoming an option," Ms. Salz said in a telephone interview, "as opposed to the option."

Clients remain keenly interested in alternatives to the once-standard practice of paying their agencies a 15 percent fixed-rate commission, she said.

Still, performance-based compensation no longer seems "the be-all and end-all" that it did in in the 1990 survey, she added.

Last year, 82 percent of advertisers using performance-based compensation indicated that it improved the quality of the advertising they obtained. This year, that figure fell to 53 percent.

THE SECOND ceremony for the 1991 Clio Awards for advertising was canceled Monday, just hours before the event was scheduled to begin at the New York State Theater at Lincoln Center in midtown Manhattan.

The cancellation, announced by the privately held Clio Awards organization, was the first that anyone could recall in the 31-year history of the ad industry.

Organizers had expected 1,500 people to attend the ceremony for awards for creative achievement in television commercials and in-theater advertising.

The decision followed a mishap-filled first-round presentation of awards including print and radio commercials on Thursday.

That ceremony ended abruptly when advertising executives in the audience, angry that a public relations man and a caterer ended up presenting many of the awards based on an incomplete list of winners, stormed the stage and took statuettes.

"The Clios are dead in the sense of the performance tonight," Don Catterson, the Clio publicist, said Monday. Mr. Catterson, a friend of Bill Evans, who owns and operates the Clio award organization, blamed adverse publicity for prompting the cancellation.

"I'm sick about it," Mr. Catterson said, speaking on behalf of Mr. Evans, who could not be reached for comment.

At the theater Monday night, it appeared that the efficient ad industry grapevine had alerted almost everyone that the ceremony was canceled.

Only small groups of would-be attendees, almost all from out of town, arrived to see signs taped to the doors announcing the cancellation and referring inquiries to the Clio offices.

The cancellation was foreshadowed Monday when Ed McCabe, chairman of the 1991 Clio advisory board, issued a statement that he was resigning that honorary post and would not attend the ceremony.

IBM Pours $25 Million Into Wang

Compiled by Our Staff From Dispatches

NEW YORK — Wang Laboratories Inc. said on Tuesday it would receive a cash injection from International Business Machines Corp. and would begin to market products from IBM.

Wang, the word-processing systems and electronic imaging group, said IBM would provide $25 million and would receive bonds that could be converted into Wang common stock. Another $75 million may be provided as well, the company said.

The agreement came as IBM reportedly was negotiating a technology-sharing agreement with Apple Computer Inc. In addition, IBM has been buying stakes in software publishers for several years as it seeks to expand its presence in that increasingly important area.

The IBM cash will give a much-needed boost to Wang, which has run into severe difficulties. Earlier this year, it said it would cut 500 jobs from its work force of 19,000 in the face of mounting losses.

Wang, once a leader in word processing, has found itself unable to compete against much larger competitors, including IBM.

Wang's chairman, Richard Miller, said in April the company would concentrate on electronic imaging — turning printed words into computer images — to bring the company back to its former glory.

(Reuters, AP)

Some Forecasters Now See Faster U.S. Recovery

By Sylvia Nasar
New York Times Service

NEW YORK — The U.S. economic recovery that almost everyone thought would start with a crawl could begin instead with a sprint, according to a growing minority of forecasters — including Alan Greenspan, the chairman of the Federal Reserve Board.

Fed officials now describe a fast start as a reasonable, but unlikely, possibility. They also say it would not presage a sustained boom.

Still, some Fed officials are struck by the fact that U.S. business made sharp cuts in production as sales slid, which could inspire a quick recovery.

"Clearly we've had some substantial inventory hits during the recession and in the current quarter," said Wayne Angell, a governor of the Fed.

"At some point in time, when you take away a huge negative number, that tends to give you a rather significant rebound."

More than a month ago, some Wall Street firms began raising their forecasts of how much the gross national product would grow in the last half of this year and the first half of 1992.

"When we realized how deep a hole we'd dug ourselves into," said Bruce Steinberg, an economist at Merrill Lynch & Co. who was referring to inventory cutbacks, "we realized we'd be digging out faster."

Just as production cuts by businesses when sales decline can snowball into a recession, attempts to keep shelves filled when sales revive can give the economy a powerful kick.

Reducing inventories subtract from GNP growth while inventory building adds. Even trimming at a slower rate gives the economy a lift.

"There's a legitimate concern that industry is in better shape in this recession than usual, just like services are in worse shape," said Stephen S. Strongin, associate research director at the Federal Reserve Bank of Chicago.

"With one part of the economy in better shape than usual and one part worse, it depends on which you emphasize whether you worry about too much versus too little growth."

Last week's rash of economic reports made the possibility that the economy might shift directly into high gear seem more plausible, although hardly certain.

Businesses reported that inventories in April were unusually lean, amounting to 1.5 months of sales, compared with the typical 1.65 to 1.75. At the same time, retail sales jumped and auto buying picked up.

Lean supplies and a sales pickup make it more likely that businesses will trim inventories less in coming months.

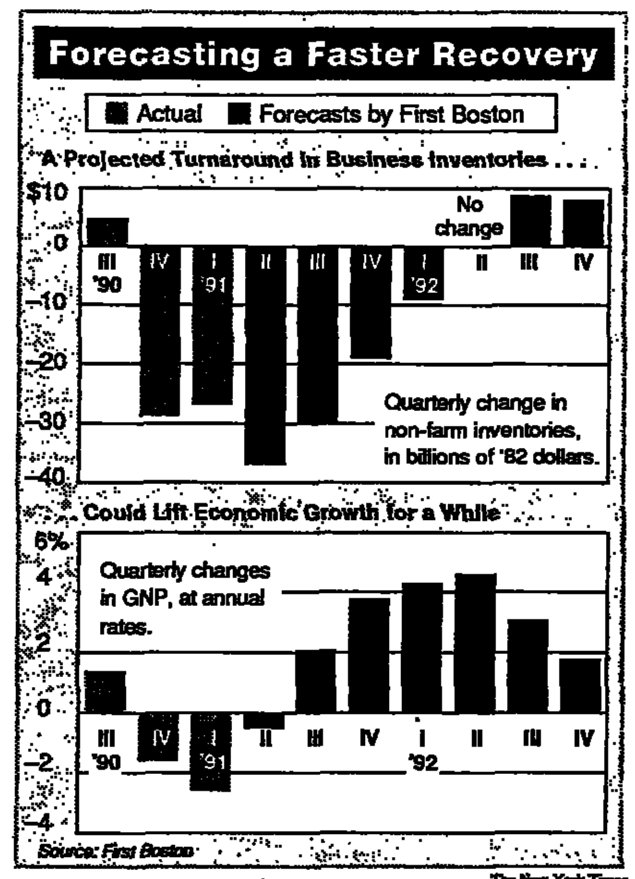
"An inventory kick like that is enough to produce a surge of real income growth next fall and winter," said Art Rolnick, research director at the Federal Reserve Bank of Minneapolis.

If inflation edges down for a while, as it almost always does in the first months of a recovery, purchasing power would rise, too.

On the other hand, a spurt at the start does not imply a lasting boom.

"An inventory rebound doesn't last for more than a few quarters," Mr. Rolnick said.

In other recoveries, according to economists at First Boston Corp., the swing from inventory reduction to accumulation typically adds a percentage point to GNP growth during the recovery's first year and almost nothing afterward.



The New York Times

EFTA And EC Hit Snag

Clash on Fishing Threatens Pact

By Charles Goldsmith
International Herald Tribune

LUXEMBOURG — Wide differences over fishing and transit rights jeopardized talks Tuesday between the European Community and the European Free Trade Association to create a 19-nation free trade zone of 380 million people.

A proposal to sidestep the volatile transit issue until fall was rejected by EC foreign ministers, reducing chances for a quick agreement to create a new European Economic Area.

There was also no sign that differences over fishing rights were near resolution. Spain seeks guarantees it can land 30,000 tons of cod per year in the North Atlantic, a demand rejected by Iceland, an EFTA member, as a threat to its single-sector economy.

"This is not a dispute between Spain and Iceland," said Foreign Minister Jon Baldvin Hannibalsson of Iceland. "It is an internal European Community dispute. Spain feels it got a rotten deal when it joined the EC, especially concerning fisheries." Spain joined the EC in 1986.

EC and EFTA ministers hailed a "political breakthrough" after talks in Brussels last month, but the only tangible result involved creation of a new court to handle EC-EFTA disputes.

The seven EFTA countries are Sweden, Finland, Norway, Iceland, Switzerland, Austria and Liechtenstein.

EFTA and the 12-nation EC had hoped to initial a treaty at an EFTA meeting in Salzburg next week, and to sign the pact next month. As the talks dragged on into the evening, however, negotiators said they were pessimistic the schedule could be adhered to.

"Not probable," the deputy Dutch foreign minister, Piet Dankert, said of the proposed timetable.

Officials warned that further delay in signing the pact would threaten prospects of having the economic area in place at the same time the EC's single market takes effect from the end of 1992. It will take 18 months, the officials say, to win ratification in all EFTA countries' parliaments, while Switzerland and Norway need to schedule referendums.

The transit issue principally involves Austria and Switzerland.

CURRENCY RATES

Cross Rates

June 18

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.04	3.2925	1.1265	0.3315	0.1514 *	—	5.473 *	1.3087	1.446 *	1.7825	1.795 *
Brussels	37.42	60.1425	20.583	6.059	2.7654 *	18.2725	—	23.935	0.2642	32.765	32.753 *
Frankfurt	1.8056	2.921	—	0.2943	0.1345 *	0.8877	4.859 *	1.1610	1.284 *	1.5803	1.592 *
London (a)	1.611	—	2.9229	9.9185	2,144.50	3.2911	60.12	2.5140	226.095	1.8403	183.72
Madrid	113.897	183.540	62.806	18.494	8.443 *	55.754	3.0512	72.942	80.579 *	99.675	—
Milan	1,259.00	2,173.50	743.72	218.96	—	660.47	36.143	864.80	9.549	1,101.00	11.305
New York (b)	—	1.609 a	1.8077	6.176	1,251.30	2.0465	37.375	1.5647	141.15	1.1427	114.85
Paris	6.148	9.9385	3.3976	—	0.4566 *	3.0156	0.1651	3.9457	4.3629 *	5.384	5.4065 *
Tokyo	140.75	228.65	78.32	22.87	0.1857	69.52	3.8051	91.30	—	123.31	1.3473
Toronto	1.1421	1.8396	0.6291	0.1851	0.0916 *	0.5585	3.06 *	0.7309	0.8114 *	—	1.002 *
Zurich	1.5545	2.5129	0.8590	0.2528	0.1155 *	0.7680	4.1251 *	—	1.1041 *	1.3611	1.369 *
1 ECU	1.3712	0.702	2.0535	6.9787	1,526.40	2.311	42.2262	1.7644	159.90	1.3927	128.847
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Austral. $	1.3723	Hong Kong $	7.724	N. Zealand $	1.7361	Soviet ruble*	0.6066
Austr. schil.	12.61	Indian rupee	21.186	Norw. krone	7.102	Swed. krona	6.5605
Brazil cruz.	298.40	Indo. rupiah	1948.03	Phil. peso	27.46	Taiwan $	27.21
Chinese yuan*	5.3603	Irish £	0.6782	Port. escudo	157.30	Thai baht	25.79
Danish krone	7.0825	Israeli shek.	2.3386	Saudi riyal	3.75	Turkish lira	4208.01
Egypt. pound	3.2826	Kuwaiti dinar	3.40	Sing. $	1.786	UAE dirham	3.672
Fin. markka	4.293	Malay. ring.	2.786	S. Kor. won	725.50	Venez. boliv.	55.63

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6047	1.5984	1.5924	Canadian dollar	1.1460	1.1483	1.1503
Deutsche mark	1.8173	1.8215	1.8259	Japanese yen	141.44	141.62	141.78
Swiss franc	1.5619	1.5644	1.5666				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

June 18

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	5 15/16-6 1/16	8 13/16-8 15/16	8-8⅛	11⅞-11 15/16	9 7/16-9⅝	7⅞-8	9 15/16-10 1/16	7⅜
2 months	6-6⅛	8⅞-9	8-8⅛	11⅞-11 15/16	9 7/16-9⅝	7 13/16-7 15/16	9 15/16-10 1/16	7⅜
3 months	6 1/16-6 3/16	8 15/16-9 1/16	8-8⅛	11 13/16-11 15/16	9 7/16-9⅝	7 13/16-7 15/16	9 15/16-10 1/16	7⅜
6 months	6 3/16-6 5/16	9 1/16-9 3/16	8-8⅛	11-11⅛	9 7/16-9⅝	7¾-7⅞	9⅞-10	7½
1 year	6 7/16-6 9/16	9⅛-9¼	7 15/16-8 1/16	10⅞-10 15/16	9 7/16-9⅝	7 11/16-7 13/16	9⅞-10	7 9/16

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

June 18

United States	Close	Prev.
Discount rate	5½	5½
Prime rate	8½	8½
Federal funds	5⅝	5⅝
Com paper 30-179 days	6.15	6.15
3-month Treasury bills	5.62	5.58
6-month Treasury bills	5.77	5.80
1-year Treasury bills	5.98	5.99
30-year Treasury bond	8.52	8½
3-month CD's	5.70	5.70
6-month CD's	5.80	5.80
Japan		
Discount rate	6.00	6.00
Call money	7 29/32	7 15/16
3-month interbank	7 13/16	7 25/32
6-month interbank	7 11/16	7 11/16
Germany		
Discount rate	6½	6½
Lombard rate	9.00	9.00
Call money	8.90	8.80
1-month interbank	8.90	8.90
3-month interbank	9.10	9.00
6-month interbank	9.30	9.30
Britain		
Bank base rate	11½	11½
Call money	11 11/16	11¾
3-month interbank	11⅝	11⅝
6-month interbank	11⅝	11 1/16
France		
Intervention rate	9.00	9.00
Call money	10.00	9 15/16
1-month interbank	9 13/16	9¾
3-month interbank	9 13/16	9¾
6-month interbank	9 13/16	9 11/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

June 18

1 month	6 - 6⅛
2 months	6 1/16 - 6 3/16
3 months	6 ⅛ - 6 ¼
6 months	6 5/16 - 6 7/16
1 year	6⅞ - 7

Source: Reuters.

U.S. Money Market Funds

June 18

Merrill Lynch Ready Assets
30-day average yield: 5.46
Telerate Interest Rate Index: 6.003

Source: Merrill Lynch, Telerate.

GOLD

June 18

	A.M.	P.M.	Ch'ge
Hong Kong		Closed	
Luxembourg	367.75	—	+0.25
Paris (12.5 kilo)	366.07	365.59	−0.63
Zurich	368.10	370.26	+3.11
London	368.80	370.25	+3.45
New York	—	367.95	Unch.

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

In U.S., New Reality: 'We Can't Have It All'

By Louis Uchitelle
New York Times Service

NEW YORK — The incomes of most American households have failed to gain ground on inflation since 1973, and the depth of the impact of so many years of stagnant incomes on the American psyche is now clear.

The data on stagnant incomes, a trend not fully recognized by economists until the late 1980s, are profuse.

The Labor Department says the median family income of $30,000 to $35,000 in 1973 is still in that range, after adjustment for inflation.

Only the wealthiest 20 percent of American families, those with incomes above $80,000, gained ground on inflation over the last 18 years.

Broadly speaking, the old psychology of affluence — the confidence that homeownership and high levels of consumer spending are birthrights — is breaking down, social scientists and pollsters say.

Materialism endures; young Americans still value the good life. But they pick their purchases to simulate affluence, not achieve it.

Thus, purchasing a BMW or an imported suit might be out of reach, but not other stylish clothing or compact disk players or elegant food, and that is where the money is going.

Consumers are learning to make fewer purchases and are accepting the view that we can't have it all, said Watts Wacker, executive vice president of Yankelovich Clancy Shulman, a market research company. "They seek control over their spending."

The fallout from stagnant incomes came up repeatedly last week at an annual conference in New York sponsored by American Demographics, an organization that explores American attitudes and behavior to help companies market their products.

The impact is particularly noticeable in the under-30 generation, where stress and compromising personal goals are now commonplace, Mr. Wacker and other speakers said.

The Roper Organization, for example, finds that the under-30 population increasingly wants to own homes and have children. But without the wherewithal, marriage and homeownership are postponed.

Similarly, college students are more willing than the baby boomers were in the late 1970s to become involved in social causes.

But despite their activism, young people more than ever seek jobs that pay well, while the baby boomers at the same age preferred work that interested them.

"This is not greed, but simply a desire to deal with a cruel world and to seek a sense of self-sufficiency that earlier generations took for granted," said Bickley Townsend, a Roper vice president.

The stagnant income problem also shows up as pent-up demand that remains pent up. In the past, as the American economy came out of recessions and jobs multiplied, restoring incomes, people no longer postponed the purchase of cars and homes, and sales rose sharply.

But in the recovery now apparently getting under way, car and home sales are muted, in part because even jobholders often find these major purchases unaffordable.

The Census Bureau reports that 71 percent of all families in which the chief breadwinner is 25 to 34 years old cannot afford median-priced homes in the areas where they live.

The percentage rises to 94.1 for families where the chief earner is under 25. As for cars, the average new-car price is equal to 47 percent of the median annual income of American families, up from 35 percent in 1979.

Why wasn't the impact felt sooner?

The booming 1980s helped mask the problem of stagnant incomes, in part because so many new jobs were created, although many were low-paying and so many women went to work, postponing childbirth.

Now the birth rate is rising sharply, as women in their late 20s and 30s have children.

U.S. Energy Security Fears Raised

By Matthew L. Wald
New York Times Service

NEW YORK — While victory in the Gulf has eliminated for now the threat to Western access to Mideast oil, there is widespread agreement in the oil industry that America's long-term energy security may have been set back.

The quick war victory brought oil prices back down near prewar levels, and those lower prices provide little incentive for energy conservation or new drilling in the United States.

"We're going to be more import-dependent than under a Saddam Hussein regime" in Kuwait, said Vahan Zanoyan, an analyst with Petroleum Finance Co., a Washington consulting firm.

Middle East experts say that if President Saddam Hussein of Iraq controlled Kuwait and bullied Saudi Arabia, production would be cut and the market price of oil would rise, which would eventually reduce imports by this country.

The Bush administration has a different view of the war's effect.

John J. Easton Jr., assistant secretary of energy for international affairs and energy emergencies, said that the war had produced "a heightened awareness of the role energy plays" and had helped unite various government agencies, including his department and the Departments of Transportation and the Interior, in the formulation of the National Energy Strategy.

Victory in the Gulf brought oil prices back down, cutting incentive for conservation or new drilling.

That strategy includes drilling in the Arctic National Wildlife Refuge and counting on provisions of the Clean Air Act to cut gasoline consumption, and would, under the most optimistic interpretation, stabilize the proportion of oil that is imported.

But energy experts say that because the war ended quickly, at relatively low cost to the United States, it did not produce a consensus on steps to reduce oil imports.

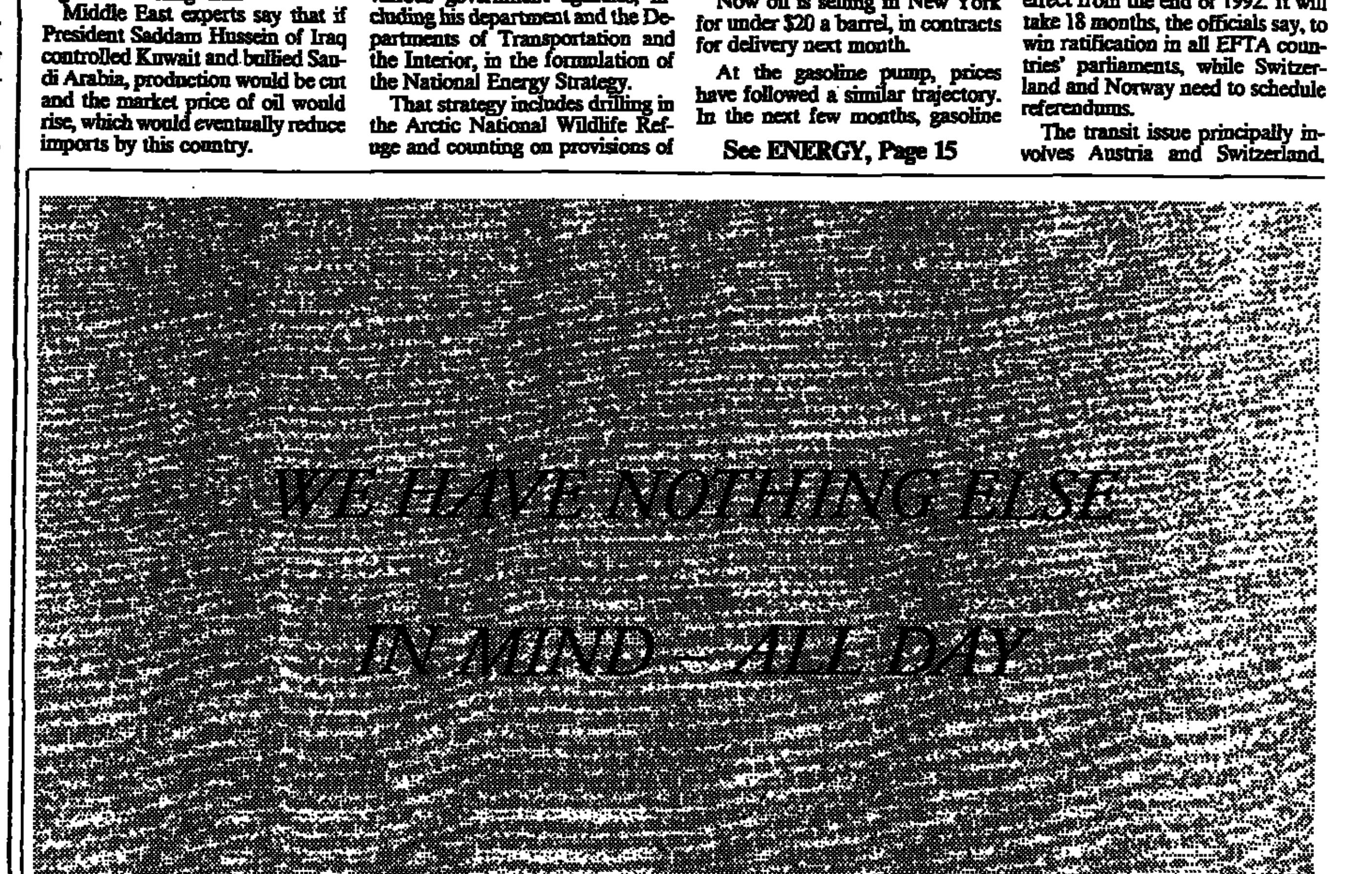
In the absence of strong government policy, what defines the pattern of energy production and use is price.

Oil prices are now close to prewar levels. From under $17 for a barrel of crude oil before Iraq began its saber-rattling last July, prices rose to more than $40 in October.

Now oil is selling in New York for under $20 a barrel, in contracts for delivery next month.

At the gasoline pump, prices have followed a similar trajectory. In the next few months, gasoline

See ENERGY, Page 15



MARKET DIARY

Stocks Move Lower On Fed Comments

United Press International

NEW YORK — Prices closed lower in moderate trading on the New York Stock Exchange Tuesday, drifting down amid some conflicting comments on the economy from the Federal Reserve.

The Dow Jones industrial average, which slid 6.49 points Monday, lost 7.15 to 2,986.81.

N.Y. Stocks

Among the broad gauges, the New York Stock Exchange composite index eased 0.75 to 207.63. Standard & Poor's 500-stock index fell 1.54 to 378.59 and the price of an average share slid 12 cents.

Declines outpaced advances by a 4-to-3 margin. Volume amounted to 154.9 million shares, compared with only 134.2 million on Monday.

The chairman of the Federal Reserve, Alan Greenspan, added his voice Tuesday to a growing chorus of optimism on the economy, saying he believes the economy has nowhere to go but up.

But David Mullins, a member of the Fed's board of governors, said it was not absolutely certain that the economy was out of the woods.

Analysts said the market's weakness was tied to the apparently conflicting statements on the economy.

On the trading floor, Pepsico was the most active issue, off ½ to 30¾. RJR Nabisco followed, unchanged at 11. Philip Morris was third, up ⅛ to 66¼.

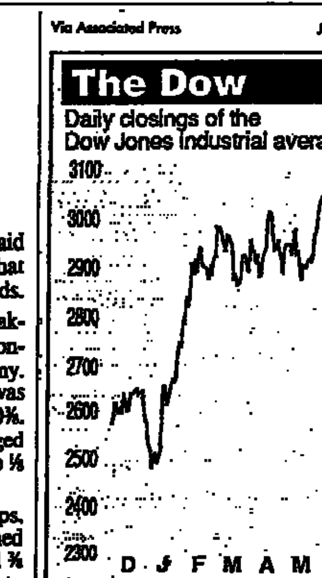
Among the other blue chips, AT&T rose ⅜ to 37¾, IBM gained 1⅜ to 100⅞, General Motors fell ¾ to 43⅜ and McDonald's eased ½ to 32¼.

On the American Stock Exchange, stocks ended mixed in moderate trading.

The Amex Market Value index rose 0.27 to 367.40, while the average price of an Amex share added 1 cent. Volume was 10.8 million shares, up from 9 million traded Monday.

Wang Labs led the Amex issues, up ½ to 4⅜. Wang and IBM announced an agreement Tuesday in which Wang will resell IBM computers in exchange for an investment by the world's largest computer maker.

Via Associated Press June 18



IHT

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2993.07	3022.14	2970.48	2986.81	— 7.15
Trans	1223.55	1231.14	1211.92	1219.15	— 4.87
Util	208.44	209.51	206.36	207.12	— 1.44
Comp	1074.94	1083.58	1065.84	1071.57	— 4.28

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	455.27	450.57	451.18	—1.91
Transp.	301.24	298.69	299.28	—1.96
Utilities	137.01	135.08	136.02	—0.68
Finance	30.32	30.10	30.12	—0.02
SP 500	381.83	377.59	378.59	—1.54
SP 100	363.67	359.47	360.34	—1.57

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	209.01	207.44	207.63	—0.75
Industrials	263.53	261.42	261.62	—0.98
Transp.	179.73	179.12	179.25	—0.76
Utilities	89.60	89.16	89.14	—0.38
Finance	152.78	151.39	151.99	—0.28

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	494.74	490.80	491.59	—2.73
Industrials	552.84	546.34	547.74	—3.63
Finance	481.23	478.77	479.67	—1.44
Insurance	545.93	542.29	543.17	+0.99
Utilities	566.69	560.56	562.58	—2.82
Banks	331.54	327.59	329.60	—1.59
Transp.	534.99	527.84	529.18	—4.02

AMEX Stock Index

High	Low	Close	Ch'ge
367.42	366.63	367.40	+0.27

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	94.26	+0.17
10 Utilities	95.15	+0.16
10 Industrials	93.38	+0.19

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
PepsiC s	32743	30⅞	30	30¾	— ½
RJR Nb n	18533	11⅛	10⅞	11	
PhilMr	18397	66⅜	65¼	66¼	+ ⅛
AT&T	18087	38	37½	37¾	+ ⅜
IBM	17025	101	99⅝	100⅞	+1⅜
MIN	14601	7¾	7½	7⅝	+ ⅛
duPont	14265	48⅝	47⅝	47¾	— ⅝
McDonl	14252	32⅝	31¼	32¼	— ½
GnMotr	13754	44⅝	43⅝	43⅜	— ¾
CmpAsc	12793	11	10½	10⅝	— ¼
Hanson	12725	18¼	17⅝	18	
Glaxo	13466	42⅝	41⅝	41⅞	— ¼
GTE	12191	29⅞	29½	29¾	+ ⅛
TelMex n	12105	27⅞	27	27	— ⅞
AmExp	11516	24¼	23⅝	24	

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
WangB	7616	4⅞	3⅝	4⅜	+ ½
EEdm wt	4310	1⅝	1¼	1⅜	+ ¼
Biomag	3987	6	5⅜	5⅝	— ¼
IvaxCp s	3984	28	25⅝	27⅝	— ⅜
EchoBy	2834	9⅛	8⅞	8⅞	— ⅛
A-dd sc s	2518	12⅞	12	12⅛	— ⅛
OMI	2441	7¾	7	7¼	+ ¼
Speling	1923	4⅞	4⅝	4⅝	— ⅛
AHltMg	1912	2⅞	2⅝	2⅝	+ ¼
ENSCO	1674	3⅛	3	3	— ⅛
FreqEl	1630	6⅜	6	6	— ¼
EkNk wt	1611	8⅛	7⅞	8⅛	+ ¼
A-dff2 sc	1605	9½	9¼	9⅜	+ ⅜
CalEng	1480	11⅝	11⅛	11½	+ ½
DewC rt	1451	8	7⅞	8	+ ¼

NYSE Diary

	Close	Prev.
Advanced	613	657
Declined	903	853
Unchanged	549	560
Total Issues	2065	2070
New Highs	54	50
New Lows	8	9

Amex Diary

	Close	Prev.
Advanced	275	253
Declined	293	273
Unchanged	227	250
Total Issues	795	776
New Highs	15	16
New Lows	6	4

NASDAQ Diary

	Close	Prev.
Advanced	819	858
Declined	1,052	963
Unchanged	2,234	2,284
Total Issues	4,105	4,105

Market Sales

NYSE 4 p.m. volume	154,900,000
NYSE prev. cons. close	168,787,420
Amex 4 p.m. volume	10,750,000
Amex prev. cons. close	11,484,200
NASDAQ 4 p.m. volume	145,418,400
NASDAQ prev. 4 p.m. volume	116,598,500

S&P 100 Index Options

June 18

Strike Price	Calls-Last Jun	Jly	Aug	May	Puts-Last Jun	Jly	Aug	
320	41	—	—	—	⅛	—	—	—
325	36	—	—	—	—	—	—	—
330	—	32¼	—	—	⅛	½	—	—
335	25⅞	27½	—	—	⅛	⅝	—	—
340	21	23½	—	—	⅛	1⅛	2⅛	4⅝
345	17	17¾	—	—	⅛	1½	3½	5¼
350	11⅝	13⅝	—	—	¼	2⅛	4⅛	—
355	6⅝	10	12⅝	—	⅝	3⅝	5⅝	—
360	2⅝	7	11	14½	1¾	5⅛	7⅝	10¾
365	⅝	4½	7¾	10¾	4¼	7⅞	10¾	—
370	⅛	2⅝	5	7⅞	9⅝	11	13	—
375	1/16	1⅛	3⅝	5⅝	14½	15½	16	—
380	1/16	⅜	2⅛	4⅛	19¾	19⅝	22⅛	—
385	1/16	½	1½	3¼	—	—	—	—

Calls: total vol. 122,958 ; total open int. 422,157
Puts: total vol. 130,214 ; total open int. 440,310

	Dec 92	Dec 93	Dec 92	Dec 93
27½	—	—	⅛	—
30	—	—	1	—
32½	6⅛	7⅛	—	2⅛
35	—	—	2⅝	—

Calls: total vol. 72 ; total open int. 28,936
Puts: total vol. 412 ; total open int. 57,216
Source: CBOE.

EUROPEAN FUTURES

Food

SUGAR (FOX)
U.S. Dollars per metric ton-lots of 50 tons

	Close		High	Low	Prev. Close	
Aug	217.00	218.00	220.00	212.00	213.00	214.40
Oct	195.00	195.60	198.20	193.00	196.00	196.40
Dec	190.00	193.60	195.00	194.00	185.00	203.00
Mar	188.00	188.40	191.40	188.00	188.00	190.00
May	189.00	190.80	190.00	190.00	188.00	193.00
Aug	189.00	194.80	200.00	196.00	198.00	200.40
Oct	187.00	196.80	N.T.	N.T.	194.00	204.40

Est. Sales 1,577.

COCOA (FOX)
Sterling per metric ton-lots of 10 tons

	Close		High	Low	Prev. Close	
Jul	614	615	615	599	600	602
Sep	654	655	655	637	637	638
Dec	693	694	696	678	677	678
Mar	730	731	733	715	712	713
May	750	751	752	736	732	734
Jul	769	770	771	757	754	755
Sep	789	790	790	783	774	775

Est. Sales 8,969.

COFFEE (FOX)
Sterling per metric ton-lots of 5 tons

	Close		High	Low	Prev. Close	
Jul	541	542	543	540	538	539
Sep	568	569	579	565	564	566
Nov	589	590	593	589	589	589
Jan	609	610	612	609	608	609
Mar	627	628	628	627	626	627

Est. Sales 3,205.

WHITE SUGAR (Matif)
Dollars per metric ton-lots of 50 tons

	High	Low	Close		Ch'ge
Aug	314.00	310.00	312.50	314.00	+ 4.30
Oct	274.00	270.00	270.50	271.20	+ 1.90
Dec	N.T.	N.T.	260.00	263.00	+ 0.70
Mar	265.00	264.00	262.00	263.00	+ 0.50
May	268.00	268.00	262.00	265.00	Unch.
Aug	N.T.	N.T.	269.00	272.00	Unch.

Est. sales 2,577. Prev. sales 489.
Open interest 12,729.

Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1324.00	1326.00	1363.00	1364.00
Forward	1356.00	1357.00	1395.00	1396.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1359.00	1361.00	1354.00	1355.00
Forward	1376.00	1377.00	1369.00	1370.00
LEAD Sterling per metric ton				
Spot	334.00	335.00	330.00	331.00
Forward	343.50	344.00	341.00	342.00
NICKEL Dollars per metric ton				
Spot	8440.00	8460.00	8460.00	8470.00
Forward	8430.00	8450.00	8470.00	8480.00
TIN Dollars per metric ton				
Spot	5745.00	5775.00	5775.00	5785.00
Forward	5826.00	5830.00	5860.00	5870.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1048.00	1050.00	1061.00	1062.00
Forward	1068.00	1069.00	1080.00	1081.00

Industrials

GASOIL (IPE)
U.S. dollars per metric ton-lots of 100 tons

	High	Low	Last	Settle	Ch'ge
Jul	172.25	171.00	172.00	171.75	+ 1.25
Aug	172.75	171.75	172.75	172.50	+ 1.50
Sep	174.75	173.75	174.50	174.50	+ 1.80
Oct	176.75	175.75	176.50	176.50	Unch.
Nov	179.50	177.75	178.75	178.50	— 0.25
Dec	180.75	179.50	179.75	179.75	Unch.
Jan	177.50	177.00	177.00	177.25	+ 0.75
Feb	173.50	173.50	173.50	173.50	+ 2.50
Mar	171.00	170.00	170.00	170.00	Unch.

Est. Sales 3,585. Prev. sales 3,965.
Open interest 63,978

BRENT CRUDE OIL (IPE)
U.S. dollars per barrel-lots of 1,000 barrels

	High	Low	Last	Settle	Ch'ge
Aug	18.44	18.20	18.22	18.21	Unch.
Sep	18.63	18.38	18.41	18.41	— 0.09
Oct	18.77	18.43	18.43	18.43	— 0.10
Nov	18.89	18.73	18.78	18.77	— 0.08
Dec	18.95	18.75	18.75	18.75	— 0.20
Jan	18.80	18.80	18.80	18.70	— 0.17

Est. Sales 15,000. Prev. sales 8,886.
Open interest 47,334

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Dividends

Company	Per	Amt	Pay	Rec
DEFERRED				
Talley Industries				
INCREASED				
Lincoln Savings	Q	.15	7-12	7-5
REDUCED				
Eastern Util Assoc	Q	.12	6-28	6-25
SUSPENDED				
Dime Fincl Corp				
USUAL				
AmerRE PtnersL.P.	Q	.50	8-15	6-28
Baker (J) Inc	Q	.01½	8-2	7-17
First Central Fincl	Q	.02½	8-5	7-15
Grove Bank	Q	.07	7-19	7-5
Logicon Inc	Q	.09	7-16	6-26
MFS Charter Inco	M	.126	7-12	6-28
MFS Multimkt Total	M	.07	7-12	6-28
Nucor Corp	Q	.13	8-9	6-28
PHH Corp	Q	.30	7-31	7-5
Stewart Info Svcs	Q	.05	7-31	6-28
Templeton GlobGvt	M	.07	7-12	6-27
Wallace Comp Svcs	Q	.12½	9-20	9-2

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
June 17	533,279	600,159	4,131
June 14	734,075	524,459	2,373
June 13	626,162	501,700	9,959
June 12	538,256	843,451	97,897
June 11	646,681	646,332	33,218

*Included in the sales figures.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.601	0.619
Coffee, lb	0.71	0.71
Copper electrolytic, lb	1.1070	1.1066
Iron FOB, ton	213.00	213.00
Lead, lb	0.31	0.31
Silver, troy oz	4.485	4.42
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	0.99	0.99
Tin, lb	3.7284	3.7284
Zinc, lb	0.5425	0.558

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RECOVERY: *Low U.S. Inflation*

(Continued from page 1)

said in Paris that "we must avoid a surge" of the dollar, but did not suggest what he would tell his fellow finance ministers to do about it.

U.S. officials said Treasury Secretary Nicholas F. Brady was trying to arrange a meeting with the

Foreign Exchange

Japanese finance minister, Ryutaro Hashimoto, in New York on Thursday to press the U.S. campaign for lower interest rates and discuss trade problems. Officials in several capitals said this could lead to a Group of Seven finance ministers' meeting, perhaps as early as this weekend, which would also prepare the Western response to Soviet aid requests at the London conference of the seven leading industrialized nations next month.

But these high-level meetings can affect only short-term interest rates and not the long-term rates that are tugging the dollar upward. Three-month U.S. rates now are about three percentage points below Germany's, and a half-point change is the most that might emerge from a G-7 meeting, which Mr. Chertkow said would have little effect on currencies.

Tuesday's market was moved by more ephemeral developments. The initial bounce came from the Indonesian central bank, known to be an aggressive player in currency markets. Albert Soria of Kansallis-Osakke-Pankki, a Finnish bank in New York, said the Asian bank had bet the dollar would fall and had to buy dollars heavily to cover its losses. This sent the market above the technical level of 1.8120 marks, and then computers kicked in with orders to buy dollars.

Then the market was inadvertently whipsawed by Alan Greenspan, chairman of the U.S. Federal Reserve, who warned during a brief passage in congressional testimony that a lower dollar "could actually worsen over-all economic well-being in the United States."

Traders bought dollars believing he was trying to put a floor under it. When he told a questioner that it was too soon to declare the recession was over, they sold dollars on the fear of delayed recovery.

The lone U.S. economic statistic of the day also imparted little real information about recovery. The Commerce Department reported that housing starts were virtually flat in May, registering a rise of only 0.1 percent. This was a considerable slowdown from April's rise of 8.2 percent after months of declines. But it still was not a renewed decline, leading economists to say that at least the devastated housing sector remained intact.

In New York, the dollar rose against the Swiss franc to 1.5647 from Monday's 1.5425, and climbed to 6.1760 French francs from 6.0925 on Monday. The British pound fell in New York to $1.6090 from Monday's $1.6280.

Currency markets will watch the monthly trade figures due Wednesday. Mr. Soria said at least a billion-dollar improvement on April's deficit of $4.5 billion is needed to strengthen the dollar rally.

Airbus Cancels Statement

International Herald Tribune

PARIS — Airbus Industrie canceled without explanation Tuesday a news conference at which it had been expected to announce the sale of up to 75 A-300-600 freighter aircraft to Federal Express Corp.

No reason was given for the cancellation. But both Airbus and Federal Express said negotiations were continuing. An Airbus official, speaking on condition of anonymity, said Federal Express was furious because of a premature leak of the impending deal, which the official said was not made by Airbus.

In Memphis, Tennessee, late on Monday, the chief executive officer of Federal Express denied reports that the company was replacing McDonnell Douglas with Airbus aircraft.

U.S./AT THE CLOSE

U.S. Film Exports to U.S.S.R. Halted

WASHINGTON (AP) — America's major film studios say they are stopping exports to the Soviet Union to pressure the country to halt alleged piracy of U.S. movies. Soviet authorities tolerate the illegal production of videocassettes from imported American pictures and even profit from showings of the pirated versions, Jack Valenti, chairman of the Motion Picture Association of America, said Monday.

Mr. Valenti released a copy of a letter he sent June 4 to Deputy Foreign Minister Vladimir Petrovsky declaring a virtual boycott until adequate copyright legislation is approved by the Supreme Soviet of the U.S.S.R. and the Soviet Union adheres to the Bern Treaty on Copyright Protection.

Member studios also have decided they will not show their pictures in the Moscow film festival or other Soviet festivals, the letter said. Member studios include Paramount, Universal, MGM, 20th Century Fox, Walt Disney, Warner Brothers, Columbia and Orion.

GM to Invest $400 Million in Poland

WARSAW (AP) — General Motors Corp. unveiled a plan Tuesday to invest up to $400 million to revive Poland's automotive industry, the PAP news agency said.

GM has offered $100 million to begin assembly at the state-owned FSO plant in early 1993 of its medium-sized Opel Astra. An additional $300 million would be invested over the following three years to set up production of another medium-sized Opel.

FSO makes medium-sized Polonez and 1500 models that are based on aging technology from Fiat.

Bank Ousts Parretti from MGM Post

LOS ANGELES (AP) — Giancarlo Parretti's rocky reign of MGM-Pathe Communications Co. came to a bitter end when Crédit Lyonnais ousted Mr. Parretti from MGM's board. Also kicked off MGM's five-person board Monday were Mr. Parretti's wife, Maria Cecconi, and his ally, the veteran movie producer Yoram Globus.

Crédit Lyonnais, which loaned Mr. Parretti more than $1 billion during and after the $1.3 billion buyout of MGM, also filed a lawsuit asking the Delaware courtto approve Mr. Parretti's ouster and to bar him, his wife and Mr. Globus from interfering in studio affairs. MGM and Pathe are chartered in Delaware.

Crédit Lyonnias said in court documents that Mr. Parretti refused to honor a deal to yield operating control in return for enough money to promote and make prints of new releases such as "Thelma and Louise."

Tax Claim Could Derail Drexel

NEW YORK (AP) — The government and Drexel Burnham Lambert Inc. are far apart in settling a $5.3 billion tax claim that threatens to scuttle the investment firm's bankruptcy reorganization, people involved in the case said.

Barring a late deal, the Internal Revenue Service claim will go to trial Friday. The issue is critical to ending the 16-month-old bankruptcy of Wall Street's junk-bond power of the 1980s.

The main sticking point is whether Drexel took legal tax deductions on more than $1 billion in compensation to seven top executives from 1981 to 1989 — including some of the $550 million paid to financier Michael R. Milken in 1987.

Federated and Allied Losses Narrow

CINCINNATI (AP) — Federated Department Stores Inc. and Allied Stores Corp. had a combined loss of $64.2 million in the first quarter, down from nearly $100 million a year earlier, the retailers reported Tuesday.

They plan to file an amended bankruptcy reorganization plan on July 1, plus a proposed plan to emerge from Chapter 11 protection.

Federated reported a loss of $35.9 million on sales of $1.03 billion for the quarter ended May 4, compared with a loss of $57.6 million on sales of $1 billion for the first quarter last year. Allied reported a $28.3 million loss on sales of $563.2 million, compared with a $41.9 million loss and sales of $581.4 million for 1990's first quarter.

U.S. FUTURES

Via Associated Press June 18

Grains

WHEAT (CBT)
5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
3.63	2.62	Jul	2.90¾	2.93½	2.88¼	2.91¼	+.01¾
3.26	2.69½	Sep	2.95½	2.99½	2.93¾	2.96¾	+.02
3.25	2.81½	Dec	3.06½	3.10½	3.05	3.07½	+.02
3.70¾	2.88¼	Mar	3.11½	3.15¾	3.10¾	3.13½	+.01¾
3.31	3.05	May	3.07½	3.09½	3.07½	3.08	+.03
3.11	2.99	Jul	3.00	3.02	2.99¾	3.01	+.02

Est. Sales Prev. Sales 18,196
Prev. Day Open Int. 62,082 up 428

WHEAT (KCBT)
5,000 bu minimum- dollars per bushel

	Open	High	Low	Close	Chg.
Jul	2.88½	2.89½	2.84¼	2.87¼	+ .07½
Sep	2.89	2.94	2.86¾	2.92¾	+ .03½
Dec	2.98½	3.03¾	2.98	3.00½	+ .02
Mar	3.02	3.07	3.02	3.06	+ .03
May	2.98	3.00	2.98	3.01	+ .03
Jul				2.97	+ .01

Est.Sales Prv.Sales 8,500 Prev.Day Open Int 28,719 Chg. unch

CORN (CBT)
5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
3.08¼	2.35½	Jul	2.39	2.39¼	2.37¼	2.37¾	—.00½
2.87½	2.36¼	Sep	2.37¾	2.38¼	2.36¾	2.37	
2.75	2.37	Dec	2.38½	2.40	2.38	2.38¾	+.00½
2.75¼	2.45	Mar	2.46¼	2.47¾	2.45¾	2.46	+.00½
2.79½	2.50¼	May	2.52	2.53	2.51½	2.51½	+.01
2.82	2.55¼	Jul	2.55½	2.57½	2.55½	2.56½	+.01
2.59	2.54	Sep				2.55	+.00½
2.59¼	2.52½	Dec	2.54	2.55¾	2.54	2.54½	

Est. Sales Prev. Sales 50,675
Prev. Day Open Int.205,719 up 2,272

SOYBEANS (CBT)
5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
7.18	5.40½	Jul	5.63	5.66½	5.62½	5.65¾	+.03¼
6.95	5.63¾	Aug	5.69½	5.69½	5.66	5.68¾	+.03½
6.54	5.64	Sep	5.67½	5.70¼	5.67	5.68¾	+.02¼
6.74	5.70	Nov	5.73½	5.76½	5.73½	5.74¾	+.01½
6.49½	5.80½	Jan	5.84½	5.86½	5.84	5.84¾	+.01¼
6.60	5.91½	Mar	5.95¼	5.97¼	5.95	5.95¼	+.01½
6.62½	6.01	May	6.03½	6.05½	6.02½	6.03	+.00½
6.20¼	5.94	Nov	6.00	6.03½	6.00	6.00½	+.01¼

Est. Sales Prev. Sales 47,020
Prev. Day Open Int.107,893 up 4,458

SOYBEAN MEAL (CBT)
100 tons- dollars per ton

Season High	Season Low		Open	High	Low	Close	Chg.
209.00	167.90	Jul	170.80	172.30	170.80	171.70	+.40
195.50	169.90	Aug	171.50	172.70	171.30	172.30	+.70
193.50	171.30	Sep	171.80	173.00	171.50	172.50	+.70
189.00	171.80	Oct	172.00	173.20	172.00	172.70	+.70
191.50	173.30	Dec	174.00	175.00	173.80	174.30	+.30
190.50	174.70	Jan	175.00	176.00	175.00	175.50	+.40
1180.00	177.80	Mar	177.10	177.10	177.10	177.40	+.40
191.00	179.00	May	178.00	178.00	178.00	178.10	+.10
184.00	181.50	Jul				180.20	+.70

Est. Sales Prev. Sales 26,389
Prev. Day Open Int. 60,035 up 5,919

SOYBEAN OIL (CBT)
60,000 lbs- dollars per 100 lbs.

Season High	Season Low		Open	High	Low	Close	Chg.
25.60	19.17	Jul	19.30	19.58	19.30	19.51	+.27
25.50	19.34	Aug	19.49	19.73	19.47	19.71	+.28
25.10	19.54	Sep	19.49	19.92	19.68	19.89	+.27
24.90	19.72	Oct	19.85	20.05	19.85	20.07	+.27
24.05	20.06	Dec	20.25	20.48	20.22	20.42	+.21
24.15	20.42	Jan	20.42	20.58	20.42	20.60	+.23
23.50	20.10	Mar	20.90	20.95	20.90	20.95	+.24
23.62	20.90	May	21.25	21.27	21.25	21.26	+.25
22.50	21.45	Jul				21.51	+.24
22.10	22.18	Aug				21.60	+.25

Est. Sales Prev. Sales 17,504
Prev. Day Open Int. 74,919 up 885

Livestock

CATTLE (CME)
40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
78.37	72.15	Jun	74.70	74.75	74.47	74.57	—.18
75.80	70.35	Aug	73.00	73.10	72.65	72.92	—.18
74.90	70.70	Oct	75.05	75.05	74.65	74.80	—.30
77.00	71.75	Dec	76.07	76.15	75.90	75.95	—.25
76.70	72.80	Feb	75.70	75.72	75.50	75.62	—.18
77.00	73.25	Apr	76.10	76.15	75.90	75.90	—.20
75.15	73.82	Jun	74.55	74.55	74.35	74.37	—.13

Est. Sales 12,153 Prev. Sales 9,611
Prev. Day Open Int. 68,437 up 532

FEEDER CATTLE (CME)
44,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
89.00	80.20	Aug	88.55	88.75	88.37	88.42	—.03
88.10	79.75	Sep	87.40	87.75	87.40	87.62	+.07
87.90	80.20	Oct	87.05	87.37	86.95	87.22	+.02
87.85	81.20	Nov	87.10	87.25	87.00	87.10	
87.80	84.00	Jan	87.00	87.20	87.20	87.05	+.05
87.10	84.75	Mar	86.05	86.05	86.05	86.10	+.05
87.00	84.50	Apr				85.95	
86.50	85.00	May				85.20	

Est. Sales 1,225 Prev. Sales 917
Prev. Day Open Int. 13,578 off 10

HOGS (CME)
40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
59.30	47.70	Jun	56.85	57.55	56.75	57.22	+.55
58.37	48.30	Jul	54.75	55.20	54.40	54.90	+.15
55.50	46.90	Aug	51.35	51.82	51.15	51.27	+.02
49.55	43.90	Oct	46.17	46.35	46.02	46.20	+.03
48.92	44.50	Dec	46.70	46.90	46.55	46.82	+.10
48.25	44.50	Feb	46.30	46.45	46.20	46.35	+.10
46.62	44.35	Apr	44.40	44.60	44.40	44.50	
50.60	49.00	Jun				48.70	—.10

Est. Sales 6,024 Prev. Sales 6,210
Prev. Day Open Int. 21,263 up 102

PORK BELLIES (CME)
40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
72.80	50.75	Jul	53.70	54.05	52.67	53.17	—.50
78.05	51.00	Aug	51.20	51.40	50.85	50.40	—.65
63.00	51.65	Feb	51.85	52.80	51.85	52.40	+.95
61.00	53.40	Mar				51.80	+.60
58.30	53.20	May	51.40	51.70	51.40	51.80	+.60
57.80	54.50	Jul				52.17	+.97

Est. Sales 4,872 Prev. Sales 5,425
Prev. Day Open Int. 10,734 up 129

Food

COFFEE C (NYCSCE)
37,500 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
111.50	83.90	Jul	84.30	85.00	84.15	84.40	+.10
113.50	86.00	Sep	86.50	87.30	86.50	86.85	+.35
116.80	89.15	Dec	89.95	91.50	89.70	90.20	+.25
107.50	92.20	Mar	93.20	93.50	93.15	93.20	+.30
108.80	94.50	May	95.50	95.50	95.50	95.45	+.15
108.00	96.50	Jul				97.45	+.05
108.00	98.75	Sep	99.95	99.95	99.95	99.75	+.75

Est. Sales Prev. Sales 6,676
Prev. Day Open Int. 45,534 -

SUGARWORLD 11 (NYCSCE)
112,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
14.90	7.55	Jul	9.70	10.02	9.65	9.90	+.32
14.40	7.45	Oct	8.81	8.89	8.48	8.76	+.03
10.14	7.56	Mar	8.63	8.68	8.44	8.51	—.09
9.77	7.65	May	8.68	8.70	8.53	8.53	—.12
8.85	7.85	Jul	8.72	8.72	8.72	8.58	—.14
8.55	8.05	Oct	8.85	8.85	8.85	8.65	—.20

Est. Sales 31,371 Prev. Sales 30,767
Prev. Day Open Int.108,361

COCOA (NYCSCE)
10 metric tons- $ per ton

Season High	Season Low		Open	High	Low	Close	Chg.
1590	900	Jul	920	955	920	943	+17
1515	900	Sep	972	1003	972	988	+9
1535	1007	Dec	1020	1048	1019	1035	+6
1528	1054	Mar	1065	1087	1064	1077	+5
1385	1090	May	1091	1111	1091	1099	—1
1385	1114	Jul	1135	1135	1135	1131	—1
1220	1143	Sep	1153	1160	1152	1159	—2
		Dec				1202	—2
		Mar				1242	—3
1282	1282	May				1269	—2

Est. Sales Prev. Sales 4,506
Prev. Day Open Int. 48,250

ORANGE JUICE (NYCE)
15,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
180.00	102.50	Jul	115.60	114.30	115.10	115.60	—1.55
127.00	106.00	Sep	117.50	118.95	117.50	118.05	—1.25
121.00	111.00	Nov	118.00	118.00	118.00	118.00	—.50
120.50	113.40	Jan	117.90	117.90	117.50	117.35	—.75
120.80	113.60	Mar	117.90	118.00	117.90	117.35	—.75
117.00	117.00	May	118.00	118.00	118.00	117.35	—.75

Est. Sales 700 Prev. Sales 831
Prev. Day Open Int. 6,202 off 7

Metals

HI GRADE COPPER (COMEX)
25,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
115.00	94.05	Jun	98.80	99.40	98.60	98.40	+.30
113.50	96.05	Jul	98.30	99.80	98.20	99.05	+.30
109.00	96.10	Aug	97.15	98.30	97.15	98.20	+.35
110.50	95.40	Sep	97.80	98.40	96.90	97.85	+.40
106.90	95.30	Oct				97.40	+.35
105.00	95.10	Nov				97.00	+.35
108.50	94.50	Dec	96.80	96.80	95.70	96.55	+.30
104.50	95.00	Jan				96.15	+.28
105.10	95.00	Feb				95.75	+.25
106.80	93.90	Mar	95.80	95.80	95.80	95.35	+.20
99.10	93.50	Apr				94.95	+.20
106.20	93.30	May				94.55	+.15
103.80	92.80	Jul				93.80	
103.45	92.80	Sep				93.10	—.15
100.50	91.60	Dec	93.10	93.10	93.10	92.40	—.15
93.30	93.30	Jan				92.30	—.15
96.65	92.80	Mar				92.05	—.15

Est. Sales 4,500 Prev. Sales 4,267
Prev. Day Open Int. 39,562 off 803

SILVER (COMEX)
5,000 troy oz.- cents per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
495.0	389.5	Jun	451.0	451.0	447.5	444.8	+1.2
667.5	360.1	Jul	450.0	454.5	440.0	445.5	+1.0
		Aug				448.3	+1.0
654.0	367.5	Sep	456.0	460.5	446.0	451.1	+1.1
623.5	374.0	Dec	463.0	468.0	454.5	459.0	+1.1
596.0	402.0	Jan				461.3	+1.0
613.0	382.0	Mar	475.0	477.0	462.0	467.4	+.9
589.0	385.0	May	474.0	474.0	474.0	473.1	+.7
557.0	395.0	Jul	486.0	486.0	478.5	478.8	+.5
482.5	412.0	Sep				485.4	+.5
507.0	408.0	Dec	498.0	498.0	495.0	495.5	+.5
505.0	440.0	Jan				497.1	+.5
513.0	457.0	Mar				505.9	+.5

Est. Sales 26,000 Prev. Sales 72,861
Prev. Day Open Int.109,057 up 156

PLATINUM (NYME)
50 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
383.50	364.00	Jun				371.80	+2.10
528.50	364.80	Jul	372.00	373.50	371.00	372.00	+2.10
513.00	370.50	Oct	374.00	378.50	373.70	376.00	+2.10
451.50	374.50	Jan	381.00	381.00	380.00	380.70	+2.10
450.50	378.00	Apr	383.50	384.50	383.00	384.70	+2.10
427.50	388.80	Jul				388.70	+2.10

Est. Sales Prev. Sales 2,269
Prev. Day Open Int.

PALLADIUM (NYME)
100 troy oz- dollars per oz

Season High	Season Low		Open	High	Low	Close	Chg.
125.25	80.00	Jun	95.90	97.00	95.90	96.20	+.30
119.40	80.75	Sep	97.25	97.50	97.10	97.20	+.30
114.50	82.50	Dec	98.25	98.50	98.25	98.30	+.30
135.75	88.75	Mar				99.30	+.30
100.50	100.50	Jun				100.80	+.30

Est. Sales Prev.Sales 47
Prev. Day Open Int.

GOLD (COMEX)
100 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
446.20	352.60	Jun	371.00	371.00	368.50	368.20	+.10
365.50	357.80	Jul				369.30	+.10
468.00	353.90	Aug	371.80	373.00	368.50	370.90	+.10
476.00	359.30	Oct	375.40	375.50	372.80	374.10	+.10
483.00	362.00	Dec	378.30	380.20	375.20	377.70	+.10
454.50	366.00	Feb				381.10	+.10
446.00	369.70	Apr	388.00	388.00	383.30	384.50	+.10
467.00	375.00	Jun	392.00	392.00	392.00	388.00	+.10
426.50	377.50	Aug				391.60	+.10
418.80	389.50	Oct				395.30	+.10
406.80	383.50	Dec	400.00	400.00	399.00	399.20	+.10
		Feb				403.30	—.10
410.00	404.50	Apr				407.30	—.20

Est. Sales 32,000 Prev. Sales 70,111
Prev. Day Open Int. 91,157 off 796

Financial

US T. BILLS (IMM)
$1 million- pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg.
94.62	91.52	Jun	94.33	94.36	94.32	94.35	
94.55	91.60	Sep	94.17	94.23	94.15	94.20	
94.16	92.24	Dec	93.75	93.82	93.72	93.77	—.03
94.03	93.42	Mar	93.69	93.69	93.69	93.69	—.01

Est. Sales Prev. Sales 6,440
Prev. Day Open Int. 48,011 off 1,229

5 YR. TREASURY (CBT)
$100,000 prin- pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
01.285	99.010	Jun	100.010	100.065	100.005	100.085	—.025
00.230	98.275	Sep	99.120	99.185	99.100	99.120	—.020
98.275	98.190	Dec				98.265	—.020

Est. Sales Prev. Sales 6,067
Prev. Day Open Int. 62,638 off 169

10 YR. TREASURY (CBT)
$100,000 prin- pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
100-21	93-18	Jun	97-19	97-29	97-17	97-18	—1
100-1	96-1	Sep	96-30	97-6	96-24	96-26	—1
98-12	95-15	Dec	96-13	96-13	96-7	96-7	—1
97-5	95-8	Mar				95-22	—1

Est. Sales Prev. Sales 16,250
Prev. Day Open Int. 53,410 off 768

US TREASURY BONDS (CBT)
(8 pct-$100,000-pts & 32nds of 100 pct)

Season High	Season Low		Open	High	Low	Close	Chg.
99-4	82-18	Jun	93-19	94	93-13	93-13	—7
99-5	85-29	Sep	93-27	93-7	92-18	92-19	—7
98-20	85-19	Dec	92-3	92-16	91-28	91-29	—7
98-13	85-14	Mar	91-14	91-20	91-11	91-11	—7
97-19	85-3	Jun	91	91-12	90-26	90-26	—8
95-8	87-14	Sep	90-15	90-28	90-11	90-11	—8
94-11	85-6	Dec	90-1	90-14	89-29	89-29	—8

Est. Sales Prev. Sales125,398
Prev. Day Open Int.265,371 off 1,170

MUNICIPAL BONDS (CBT)
$1000x index-pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
93-2	84-26	Jun	91-7	91-15	91-7	91-13	+5
92-11	84-7	Sep	89-25	90-5	89-23	89-24	—6
91-11	88-16	Dec				88-30	—6

Est. Sales Prev. Sales 1,859
Prev. Day Open Int. 6,783 off 29

EURODOLLARS (IMM)
$1 million-pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg.
93.77	90.04	Sep	93.42	93.49	93.40	93.45	
93.33	90.04	Dec	92.84	92.92	92.81	92.85	—.03
93.17	90.09	Mar	92.71	92.78	92.69	92.74	
92.77	90.35	Jun	92.27	92.34	92.26	92.33	+.02
92.44	90.32	Sep	91.90	91.99	91.88	91.96	+.04
92.10	90.24	Dec	91.59	91.67	91.57	91.62	+.02
92.03	90.28	Mar	91.56	91.64	91.56	91.60	+.01
91.89	90.27	Jun	91.46	91.53	91.45	91.51	+.03
91.81	90.27	Sep	91.33	91.39	91.33	91.38	+.02
91.44	90.22	Dec	91.14	91.19	91.13	91.17	+.01
91.66	90.26	Mar	91.13	91.19	91.13	91.15	—.01
91.57	90.40	Jun	91.06	91.12	91.06	91.10	+.01
91.52	90.36	Sep	90.98	91.06	90.98	91.06	+.04
91.44	90.71	Dec	90.89	90.93	90.86	90.92	+.04
91.09	90.75	Mar	90.83	90.90	90.82	90.89	+.03

Est. Sales Prev. Sales 98,480
Prev. Day Open Int.744,373 off 22,448

BRITISH POUND (IMM)
$ per pound- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
1.9340	1.5996	Sep	1.5972	1.5980	1.5898	1.5906	—136
1.7900	1.5606	Dec	1.5730	1.5800	1.5730	1.5728	—136
		Mar				1.5656	—134

Est. Sales Prev. Sales 13,353
Prev. Day Open Int. 43,899 up 1,032

CANADIAN DOLLAR (IMM)
$ per dlr- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.8783	.7985	Sep	.8695	.8706	.8694	.8703	—1
.8640	.8175	Dec	.8653	.8655	.8653	.8656	—1
.8606	.8368	Mar				.8616	—1
.8575	.8330	Jun	.8575	.8575	.8575	.8577	—1
.8480	.8420	Sep				.8542	

Est. Sales Prev. Sales 5,295
Prev. Day Open Int. 36,952 off 229

GERMAN MARK (IMM)
$ per mark- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.6810	.5486	Sep	.5473	.5497	.5463	.5467	—40
.6770	.5455	Dec	.5435	.5464	.5430	.5433	—40
.5840	.5425	Mar				.5407	—40

Est. Sales Prev. Sales 37,353
Prev. Day Open Int. 90,479 off 2,229

JAPANESE YEN (IMM)
$ per yen- 1 point equals $0.000001

Season High	Season Low		Open	High	Low	Close	Chg.
.007870	.007003	Sep	.007048	.007081	.007042	.007075	+3
.007559	.006997	Dec	.007038	.007065	.007036	.007060	+1
.007382	.007080	Mar				.007059	+1
.007220	.007150	Jun				.007060	+2

Est. Sales Prev. Sales 17,300
Prev. Day Open Int. 64,636 off 3,490

SWISS FRANC (IMM)
$ per franc- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.8055	.6426	Sep	.6372	.6407	.6363	.6345	—80
.8090	.6405	Dec	.6340	.6370	.6334	.6343	—80
.6995	.6541	Mar				.6333	—80

Est. Sales Prev.Sales 18,399
Prev. Day Open Int. 51,112 off 2,751

Industrials

COTTON 2 (NYCE)
50,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
94.45	65.67	Jul	84.84	84.85	82.57	82.57	—2.00
83.30	66.77	Oct	80.05	80.10	78.05	78.54	—1.36
76.35	63.75	Dec	75.44	75.65	73.44	74.08	—1.44
77.15	64.65	Mar	76.29	76.50	74.80	74.87	—1.33
92.25	65.18	May	76.50	76.70	75.10	75.15	—1.05
77.70	66.50	Jul	76.50	76.80	76.26	75.46	—.54
68.00	68.00	Oct	68.75	68.75	68.75	68.00	—.50
		Dec				66.75	—.62

Est. Sales Prev. Sales 5,473
Prev. Day Open Int. 46,725 off 163

HEATING OIL (NYME)
42,000 gal- cents per gal

Season High	Season Low		Open	High	Low	Close	Chg.
85.00	48.80	Jul	54.10	54.50	53.80	53.90	+.13
85.07	49.80	Aug	54.90	55.20	54.50	54.60	+.01
84.28	50.25	Sep	56.25	56.55	55.90	56.00	+.02
85.08	51.30	Oct	57.55	57.70	57.20	57.20	—.08
78.00	52.30	Nov	58.75	58.75	58.15	58.15	—.29
82.62	53.30	Dec	59.50	59.70	59.15	59.30	—.05
68.50	53.40	Jan	59.80	60.00	59.50	59.50	—.17
61.30	53.25	Feb	58.80	59.00	58.60	58.60	—.05
59.50	51.40	Mar	56.60	56.60	56.20	56.20	—.20
57.50	50.00	Apr	54.80	54.60	54.30	54.30	—.15
55.75	48.25	May	53.00	53.00	53.00	53.00	+.10
54.00	52.15	Jul	52.05	52.05	51.75	51.75	—.10

Est. Sales Prev. Sales 14,867
Prev. Day Open Int.106,437

CRUDE OIL (NYME)
1,000 bbl.- dollars per bbl.

Season High	Season Low		Open	High	Low	Close	Chg.
30.48	16.80	Jul	20.18	20.27	20.03	20.16	+.22
29.50	16.90	Aug	20.16	20.20	19.98	20.07	+.09
28.72	16.90	Sep	20.30	20.30	20.09	20.11	—.04
28.48	17.04	Oct	20.44	20.44	20.19	20.23	—.14
28.10	17.28	Nov	20.50	20.50	20.31	20.33	—.14
27.70	17.10	Dec	20.50	20.51	20.30	20.33	—.12
27.60	17.25	Jan	20.50	20.45	20.25	20.30	—.18
27.00	17.50	Feb	20.31	20.31	20.20	20.28	—.12
26.75	17.25	Mar	20.25	20.25	20.11	20.20	—.12
26.50	17.50	Apr	20.16	20.20	20.11	20.11	—.14
24.60	17.30	May	20.12	20.12	20.05	20.06	—.13
24.50	17.70	Jun	20.10	20.10	20.00	20.00	—.15
22.11	17.90	Jul	20.00	20.00	19.95	19.98	—.15
21.33	17.75	Aug	20.00	20.00	19.95	19.95	—.17
21.40	19.80	Nov	20.22	20.22	20.10	20.20	—.12
24.00	18.25	Dec	20.20	20.22	20.10	20.10	—.05

Est. Sales Prev. Sales 74,377
Prev. Day Open Int.291,165 up 3,761

UNLEADED GASOLINE (NYME)
42,000 gal- cents per gal

Season High	Season Low		Open	High	Low	Close	Chg.
82.70	55.25	Jul	63.50	63.70	62.50	62.85	—.12
90.50	53.50	Aug	61.80	62.05	61.10	61.35	—.10
87.00	51.60	Sep	60.20	60.25	59.71	59.85	—.14
84.75	49.75	Oct	58.00	58.00	57.35	57.40	—.18
66.75	48.60	Nov				56.40	+.10
75.25	47.75	Dec	56.00	56.00	56.00	56.00	+.45
58.00	47.00	Jan	55.70	55.70	55.10	55.10	+.25
58.20	50.70	Feb				55.10	+.35
63.40	57.30	Apr	61.80	61.80	61.00	61.00	—.20
61.00	58.00	Jun	60.00	60.00	60.00	60.00	+.80
59.75	59.50	Jul				59.00	+.60

Est. Sales Prev. Sales 13,521
Prev. Day Open Int.

Stock Indexes

(Indexes compiled shortly before market close)

SP COMP. INDEX (CME)
points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
393.50	300.90	Jun	380.75	382.75	377.40	378.70	—2.25
396.05	304.00	Sep	383.60	385.60	380.45	381.35	—2.35
399.05	321.75	Dec	384.50	384.65	383.90	383.90	—2.70
401.85	306.20	Mar				387.40	—2.75

Est. Sales Prev. Sales 43,796
Prev. Day Open Int.159,287 off 2,342

NYSE COMP. INDEX (NYFE)
points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
213.25	165.85	Jun	208.70	209.70	207.40	207.55	—1.30
216.40	173.10	Sep	210.20	211.20	208.50	209.00	—1.35
217.60	175.50	Dec	211.70	211.70	210.65	210.65	—1.15
217.90	208.70	Mar	213.20	213.20	213.20	213.20	—1.15

Est. Sales Prev. Sales 4,097
Prev. Day Open Int. 4,669 off 226

Commodity Indexes

	Close	Previous
Moody's	1,058.50	1,050.80
Reuters	1,769.60	1,759.80
Dow Jones Futures	126.13	126.21
Comm. Research	213.36	213.80

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

WORLD STOCK MARKETS

Agence France Presse June 18

Amsterdam

	Close	Prev.
ABN Amro Hld	38.80	38.40
ACF Holding	49	40.50
Aegon	121.60	120.90
Ahold	84.80	84.50
Akzo	116.80	116.80
AMEV	54.70	54.60
A'Dam Rubber	3.70	3.75
Bols	208.50	208
Buhrmann Tett	51.30	50.70
Center Parcs	26.75	26.75
CSM	85.40	85.50
DAF	26.50	25.80
DSM	117.10	117
Elsevier	85.30	85.70
Fokker	37.20	36.90
Gist-Brocades	34.60	34.80
Heineken	153.80	152
Hoogovens	64.20	61.50
Hunter Douglas	88.30	87.70
IHC Caland	58.50	60
Inter Mueller	81.50	81
Int'l Nederland	52.20	52.40
KLM	30.80	30.60
KNP	55	55
Nedlloyd	56.20	57.90
Oce Grinten	50	50
Pakhoed	194.50	196
Philips	32.70	32.60
Robeco	102.40	102.70
Rodamco	57.20	56.60
Rolinco	102.40	102.60
Rorento	66.40	66.40
Royal Dutch	159.60	159.50
Unilever	165	164.40
Van Ommeren	43.20	43.30
VMF Stork	46.40	45.60
VNU	79.40	78.20
Wessanen	84.40	85
Wolters/Kluwer	53.80	54.30

CBS Trend Index : 94.20
Previous : 94.30

Brussels

	Close	Prev.
AG Fin	1975	1995
Arbed	4375	4370
Barco	1248	1254
Bekaert	9690	9690
Cockerill	191	192
Cobepa	5150	5110
Delhaize	8000	8000
Electrabel	4415	4425
GB-Inno-BM	1398	1396
GBL	3750	3790
Gevaert	7080	7090
Hoboken	11400	11400
Intercom	200.75	199
Kredietbank	4450	4495
Petrofina	11825	11800
Royal Belge	4700	4710
Soc Gen Banque	5120	5130
Soc Gen Belgique	2365	2340
Sofina	12300	12300
Solvay	13075	13100
Tractebel	3438	3460
UCB	17750	17800
Powerfin	2330	2355

Current Stock Index : 5828.55
Previous : 5837.88

Frankfurt

	Close	Prev.
AEG	195	196
Allianz Hold	2370	2395
Altana	611	610
Asko	876.50	885
BASF	250.20	250.60
Bayer	279.70	281.50
Bay. Hypo bank	370	371
Bay Vereinsbk	409.50	401
BBC	710	680
BHF Bank	407	407
BMW	522	524.50
Commerzbank	259.20	260.50
Continental	207	202
Daimler Benz	783	779
Degussa	365	363
Dt Babcock	186.90	186.70
Deutsche Bank	665	667
Douglas	830	828
Dresdner Bank	376.20	380.50
Harpener	336	340
Henkel	578	577
Hochtief	1415	1430
Hoechst	247.20	250.50
Hoesch	269.60	272.50
Holzmann	1509	1525
Horten	218	221
IWKA	327	334.50
Kali Salz	169	170.50
Karstadt	683	684
Kaufhof	544	542.50
KHD	171	173
Kloeckner Werke	152	152.50
Krupp Stahl	154	156
Linde	862	850
Lufthansa	137	135.70
MAN	396	393
Mannesmann	298	299.50
Metallgesell	538.50	546.50
Muench Rueck	2445	2460
Nixdorf	274	273
PKI	505.10	507
Porsche	885	885
Preussag	369	370
PWA	288	288
RWE	411.10	414.50
Rheinmetall	366	370
Schering	805.50	802
SEL	372	367
Siemens	665.20	668.20
Thyssen	241	242.40
Varta	354	353
Veba	364.30	366.80
VEW	209.70	209.20
Viag	377.80	376.50
Volkswagen	411.20	412.30
Wella	709	706

DAX Index : 1695.42
Previous : 1701.87
FAZ Index : 718.16
Previous : 717.73

Helsinki

	Close	Prev.
Amer A	62	61
Enso-Gutzeit	19.20	19.50
K.O.P.	34	34
Kymmene	67	67
Metra	75	75.10
Nokia	106	111
Pohjola	95	95
Repola	55	55
Stockmann	134	134

HEX Index : 1024.60
Previous : 1026.10

Market Closed

The stock market in Hong Kong was closed Tuesday for a holiday.

Johannesburg

	Close	Prev.
AECI	14.15	14.15
Altech	89.50	89.50
Anglo Amer	119	118.25
Barlows	41.75	41.50
Blyvoor	8.50	8.50
Buffels	40	39.50
De Beers	77.50	77.25
Driefontein	41.25	39.75
Gencor	12.70	12.45
GFSA	79.25	78.25
Harmony	20.50	20
Highveld Steel	16.25	16.25
Kloof	32.75	31.75
Nedbank Grp	13.85	13.85
Randfontein	14.25	13.60
Rusplat	74.85	75.50
SA Brews	53.75	53
St Helena	27	27
Sasol	14.40	14.40
Welkom	14.50	14.75
Western Deep	130.50	126.50

Composite Stock Index : 3300
Previous : 3277

London

	Close	Prev.
Abbey Nat'l	2.68	2.74
Allied Lyons	5.42	5.58
Argyll Group	2.86	3.02
ASDA Group	0.97	1.03
Ass Brit Foods	5.32	5.35
BAA	4.48	4.42
BAe	5.95	5.88
Barclays	4.34	4.33
Bass	9.67	9.72
BAT	7.32	7.38
BET	1.87	1.72
Blue Circle	2.50	2.44
BOC Group	5.68	5.69
Boots	3.91	3.86
BP	3.37	3.39
Brit Airways	1.73	1.75
Brit Gas	2.50	2.50
Brit Steel	1.31	1.33
Brit Telecom	3.76	3.75
BTR	3.92	3.88
Cable Wire	5.48	5.50
Cadbury Sch	3.58	3.57
Comm Union	5.05	4.99
Courtaulds	4.01	4.01
Enterprise Oil	5.18	5.10
Eurotunnel	4.60	4.67
Fisons	5.03	5.03
GEC	1.94	1.92
Gen'l Acc	6.36	5.36
Glaxo	12.88	12.95
Grand Met	7.59	7.44
GRE	2.04	2.03
Guinness	9.85	9.82
GUS	15.10	15.10
Hanson Trust	2.17	2.17
Hawker Sidd	5.65	5.85
Hillsdown	2.25	2.27
ICI	13	13.12
Kingfisher	4.97	4.95
Ladbroke	2.45	2.45
Land Sec	4.96	5
Lasmo	3.30	3.23
Legal Gen Grp	4.33	4.34
Lloyds Bank	3.30	3.33
Lonrho	2.45	2.42
Lucas Ind	1.49	1.51
Marks Sp	2.50	2.49
Maxwell	2.02	2.06
MEPC	4.65	4.74
Midland Bk	2.83	2.86
Nat'l Power	1.38	1.41
NatWest	3.08	3.10
NthWst Water	2.87	2.87
PowerGen	1.47	1.47
Prudential	2.36	2.39
Racal Elec	2.15	2.18
Rank Org	6.85	6.80
Reckitt Col	15.78	15.88
Redland	5.62	5.61
Reed Intl	4.12	4.15
Reuters	8.04	8.28
Rolls Royce	1.56	1.56
Rothmans	9.32	9.12
Royal Ins	4.43	4.47
Royal Scot	1.78	1.76
RTZ	5.48	5.57
Sainsbury	3.50	3.48
Scot Newcas	3.92	3.94
Sears Holds	0.79	0.78
Severn Trent	2.54	2.54
Shell	5.36	5.17
Smith Nephew	1.35	1.35
SmithKline B	7.97	7.90
Sun Alliance	3.76	3.76
Tarmac	2.21	2.25
Tate & Lyle	3.90	3.88
Tesco	2.66	2.76
THF	32	32
Thorn EMI	7.40	7.37
Trafalgar Hse	2.57	2.56
TSB Group	1.45	1.44
Ultramar	2.86	2.88
Unilever	7.52	7.47
Utd Biscuits	3.42	3.45
War Loan 3½	34	34.19
Wellcome	6.41	6.44
Whitbread	4.94	5.01
Williams Hdgs	3.08	3.06

F.T. 30 Index : 1971.90
Previous : 1977.80
F.T.S.E. 100 Index : 2516.80
Previous : 2524.80

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3350	3365
Banco Central	4205	4205
Bco. Santander	5370	5370
Banesto	3880	3908
CEPSA	2330	2330
Dragados	2825	2840
Iberduero	697	698
Telefonica	997	998

S.E. General Index : 283.30
Previous : 284.30

Milan

	Close	Prev.
Alenia	2872	2890
Banca Comm	4870	4950
Bastogi	248	246
Benetton Group	9850	9780
Ciga	2909	2935
CIR	3025	3130
Cred Ital	2780	2770
Enichem	1514	1584
Eridania	7227	7320
Ferfin	2384	2380
Ferfin Risp	1435	1435
Fiat SPA	6390	6575
Generali	35900	35750
IFI	16475	16900
Italcem	23400	23400
Italgas	3130	3170
Italmobiliare	77200	77050
Mediobanca	16650	16730
Montedison	1620	1625
Olivetti	4150	4260
Pirelli	2045	2045
RAS	21420	21520
Rinascente	7220	7280
Saipem	1575	1555
SIP	1280	1280
SME	3360	3380
Snia	1640	1645
Standa	35960	35950
Stet	2159	2146
Toro Assi Risp	26110	25850

MIB Index : 1191
Previous : 1194

Montreal

	Close	Prev.
Alcan Aluminum	24½	24⅜
Bank Montreal	35⅝	35½
Bell Canada	41½	41⅝
Bombardier A	23	22¾
Bombardier B	23	22⅞
Cambior	10⅛	10
Cascades	4.65	4.70
Dominion Text A	8⅞	8⅝
Donohue	14⅝	N.Q.
MacMillan Bl	21⅛	20⅞
Memotec	9½	9½
Nat'l Bk Canada	11	11
Power Corp.	16⅝	16⅞
Provigo	12⅛	12⅛
Quebec Tel	15⅜	15½
Quebecor A	N.Q.	—
Quebecor B	16½	16½
Videotron	14⅜	14⅛

Industrials Index : 1568.91
Previous : 1557.50

Paris

	Close	Prev.
Accor	775	795
Air Liquide	680	679
Alcatel Alsthom	584	586
Avions Dassault	460	477
Bancaire (Cie)	513	513
BIC	728	726
Bongrain	2450	2401
Bouygues	591	602
BSN-GD	901	904
Carrefour	2003	2058
Cerus	128.50	131.50
Chargeurs	756	782
Club Med	455	457.10
Elf-Aquitaine	368.90	368
Europe 1	1022	1040
Gen. Eaux	2699	2710
Hachette	188.60	187
Havas	472.50	479.20
Imetal	326	324
Lafarge Coppee	391.90	394.50
Legrand	3510	3526
Oreal (L')	584	592
L.V.M.H.	4250	4258
Matra	230	232
Merlin Gerin	492	500
Michelin B	103	104.90
Moulinex	145	142
Occidentale	788	782
Paribas	454	463
Pernod-Ricard	1193	1177
Perrier	1496	1500
Peugeot	607	617
Printemps (Au)	618	625
Radiotechnique	530	527
Raff. St. Louis	1479	1440
Redoute (La)	3650	3668
Roussel Uclaf	2020	2071
Saint Gobain	444.50	459.50
Sanofi	870	881
S.E.B.	1549	1570
Skis Rossignol	680	678
Ste Generale A	407	402
Suez	365	366.90
Thomson-CSF	144.70	148
Total	821	820
Valeo	491	477

CAC 40 Index : 1830.63
Previous : 1844.85

Sao Paulo

	Close	Prev.
Banco do Brasil	75	79.50
Bradesco	7.54	7.80
Brahma	34.90	38.50
Paranapanema	3.85	4.08
Petrobras	909	897
Vale Rio Doce	158	161
Varig	31.70	32.50

Bovespa Index : 11970
Previous : 12083

Singapore

	Close	Prev.
City Dev.	3.50	3.58
DBS	12.10	12.20
Fraser Neave	8.80	8.95
Harrisons Plant	1.35	1.37
Haw Par	2.47	2.50
Hume	3.80	3.70
Inchcape	4.46	4.48
Keppel	7.85	7.85
KL Kepong	2.65	2.49
Lum Chang	1.14	1.15
Malayan Banks	4.64	4.64
OCBC	8.75	8.75
OUB	5.45	5.45
OUE	7.35	7.45
Sembawang	7.15	7.15
Shangrila	6	6.10
Sime Darby	2.49	2.52
SIA	13.50	13.40
S'pore Land	6.05	6.30
S'pore Press	9	9.05
Sing Steamship	2.86	2.91
Straits Trading	2.91	2.92
UOB	4.85	4.85
United Overseas	1.69	1.69

Straits Times Ind. : 1523.27
Previous : 1529.96

Stockholm

	Close	Prev.
AGA	328	320
Alfa Laval	258	252
Asea	580	578
Astra -A	592	593
Atlas Copco	258	249
Electrolux B	271	274
Ericsson	207	203
Esselte-A	151	150
Handelsbanken	120	120
Norsk Hydro	208.50	198.50
Procordia AF	202	195
Saab-Scania	290	289
Sandvik	335	335
SCA-A	121	118
S-E. Banken	76	74
Skandia F	180	188
Skanska	370	365
SKF	112	112
Stora	390	380
Trelleborg B	137	136
Volvo	380	378

Affaersvaerlden : 1116.50
Previous : 1104.60

Sydney

	Close	Prev.
ANZ	3.63	3.58
BHP	12.75	12.65
Boral	3.39	3.29
Bougainville	0.81	0.81
Coles Myer	11	11.06
Comalco	3.86	3.85
CRA	13.55	13.40
CSR	5.54	5.56
Dunlop	5.34	5.28
Fosters Brew	1.60	1.56
ICI Australia	4.15	4.10
Magellan	2.10	2.10
MIM	1.83	1.81
Nat Aust Bank	6.52	6.48
News Corp	8.56	8.42
Nine Network	0.53	0.53
N Broken Hill	2.34	2.27
Poseidon	1.18	1.17
QCT Resources	1.21	1.25
Santos	3.47	3.57
TNT	0.97	1
Western Mining	5.04	4.99
Westpac Banking	4.43	4.63
Woodside	3.38	3.37

All Ordinaries Index : 1523.00
Previous : 1522.30

Tokyo

	Close	Prev.
Akai Electr	1220	1220
Asahi Chemical	774	776
Asahi Glass	1290	1310
Bank of Tokyo	1480	1400
Bridgestone	1060	1088
Canon	1480	1500
Casio	1450	1460
C.Itoh	648	663
Dai Nippon Print	1570	1580
Daiwa House	1900	1920
Daiwa Securities	1270	1280
Fanuc	5500	5450
Fuji Bank	2720	2710
Fuji Photo	3430	3430
Fujitsu	1070	1090
Hitachi	1100	1110
Hitachi Cable	1130	1150
Honda	1480	1490
Ito Yokado	4440	4460
Japan Airlines	1170	1180
Kajima	1490	1500
Kansai Power	2780	2800
Kawasaki Steel	396	406
Kirin Brewery	1490	1500
Komatsu	848	850
Kubota	710	735
Kyocera	6350	6410
Matsu Elec Inds	1660	1680
Matsu Elec Wks	1600	1590
Mitsubishi Bk	2720	2740
Mitsubishi Kasei	580	595
Mitsubishi Elec	702	720
Mitsubishi Hev	720	725
Mitsubishi Corp	1240	1270
Mitsui and Co	747	750
Mitsukoshi	1240	1260
Mitsumi	1630	1640
NEC	1400	1430
NGK Insulators	1080	1120
Nikko Securities	1000	1030
Nippon Kogaku	1230	1250
Nippon Oil	1040	1050
Nippon Steel	417	422
Nippon Yusen	625	626
Nissan	730	732
Nomura Sec	1990	2000
NTT (SF)	9453	9381
Olympus Optical	1250	1260
Pioneer	4070	4030
Ricoh	725	722
Sanyo Elec	568	575
Sharp	1550	1560
Shimazu	797	803
Shinetsu Chem	1400	1440
Sony	6210	6220
Sumitomo Bk	2360	2390
Sumitomo Chem	486	490
Sumi Marine	983	977
Sumitomo Metal	421	443
Taisei Corp	934	943
Taisho Marine	928	948
Takeda Chem	1530	1570
TDK	5900	5980
Teijin	571	584
Tokio Marine	1210	1220
Tokyo Elec Pw	3430	3460
Toppan Printing	1450	1470
Toray Ind.	616	623
Toshiba	748	744
Toyota	1820	1830
Yamaichi Sec	1010	1000

Nikkei 225 : 24685
Previous : 24973
Topix Index : 1898
Previous : 1913

Toronto

	Close	Prev.
Abitibi Price	15⅝	15⅝
Agnico Eagle	6	6
Air Canada	9⅝	9⅞
Alberta Energy	13⅛	13⅛
Am Barrick Res	25	24⅝
BCE	41⅞	41⅝
BCED	8.16	8⅛
Bk Nova Scotia	17⅛	17⅛
BC Gas	15⅛	15⅛
BC Phone	19⅝	19⅝
BP Canada	14⅛	14⅛
Bramalea	7	7
Brunswick	7½	7⅝
CAE	7	6⅞
Campeau	8½	8¾
CIBC	31⅛	31⅝
Canadian Pacific	20⅛	20
Can Packers	15⅛	15⅛
Can Tire A	24⅝	24⅝
Canadian Turbo	2.51	2½
Cantor	27⅜	27⅜
Cara	19⅛	19⅝
CCL Ind B	11⅛	11⅛
Cineplex	6⅛	6¼
Cominco	25⅛	25
Conwest Expl A	13⅝	13⅝
Corona A	N.Q.	
Denison Min B	0.40	0⅝
Dickenson Min A	2.70	2.80
Dofasco	21	20⅝
Dylex A	4⅛	4.80
Echo Bay Mines	10⅛	10⅝
Equity Silver A	1.11	1.11
FCA Intl	6⅜	6
Fed Ind A	7½	6⅞
Fletcher Chall A	17⅝	17⅛
FPI	7⅛	7¼
GoldCorp	3.45	3½
Gulf Cda Res	8⅝	8⅝
Hees Intl	19⅛	19⅛
Hemlo Gld Mines	10	10
Hollinger	12⅞	12⅞
Horsham	16⅞	16⅝
Hudson's Bay	36⅞	36½
Imasco	31⅝	31⅝
Inco	40⅞	40⅝
Interprov pipe	30	29⅝
Jannock	16⅞	16⅝
Labatt	23⅝	23⅝
Loblaw Co	20⅝	20½
Mackenzie	6⅞	6⅞
Magna Intl A	11½	11⅝
Maritime	19	18⅞
Mark Res	7⅛	7⅛
MacLean Hunter	10⅞	10⅞
Molson A	44½	44⅛
Noma Ind A	7⅞	8
Noranda	20⅛	20
Noranda Forest	10⅛	10⅛
Norcen Energy	22⅛	22⅛
Nova Corp	8⅝	8⅝
Oshawa	29	29⅝
Pagurin A	6⅝	6⅝
Placer Dome	15⅛	15½
Poco Petroleum	7⅞	7⅞
PWA Corp	7¼	7⅛
Quebec Sturgeon	0.32	N.Q.
Rayrock	8	8⅛
Renaissance	15⅛	15⅛
Rogers B	10½	10⅛
Rothmans	59⅛	59⅛
Royal Bank Can	25⅛	25⅛
Royal TrustCo	10⅝	10⅝
Sceptre Res	3.50	3⅛
Scott's Hosp	18⅝	18⅞
Seagram	122½	122¼
Sears Can	13⅛	13⅛
Shell Can	42⅝	42⅝
Sherritt Gordon	7⅛	7⅛
SHL Systemhse	6⅜	6⅛
Southam	18⅝	18⅝
Spar Aerospace	12⅞	13
Stelco A	7⅛	7
Teck B	22	22
Thomson News	16	16
Toronto Domn	18⅞	18⅞
Torstar B	24⅝	24⅜
Transalta Util	12½	12½
TransCda Pipe	17⅝	17⅝
Triton Fin A	12⅛	12⅛
Trimac	8⅛	8⅛
Trizec A	14½	14⅛
Unicorp A	0.97	0.95
Woodward's Ltd	3.80	3.95

TSE 300 Index : 3549.87
Previous : 3547.38

Zurich

	Close	Prev.
Adia Intl	754	755
Alusuisse	1180	1180
Bau Holding	1615	1630
Brown Boveri	4620	4570
Ciba Geigy	3080	3040
CS Holding	1925	1925
Elektrowatt	2890	2890
Fischer	1545	1555
Interdiscount	3210	3220
Jacobs Suchard	8500	N.A.
Jelmoli	1410	1440
Landis Gyr	1115	1120
Moevenpick	4300	4350
Nestle	8440	8440
Oerlikon-B	495	490
Pargesa Hld	1200	1210
Roche Holding B	4860	4875
Safra Republic	90	90
Sandoz	2280	2270
Schindler	5400	5450
Sulzer	411	407
Surveillance	8190	8170
Swissair	829	820
SBC	333	333
Swiss Reinsur	542	565
Swiss Volksbank	1395	1400
Union Bank	3640	3640
Winterthur	4040	4040
Zurich Ins	2200	2220

SBS Index : 631.70
Previous : 631.50

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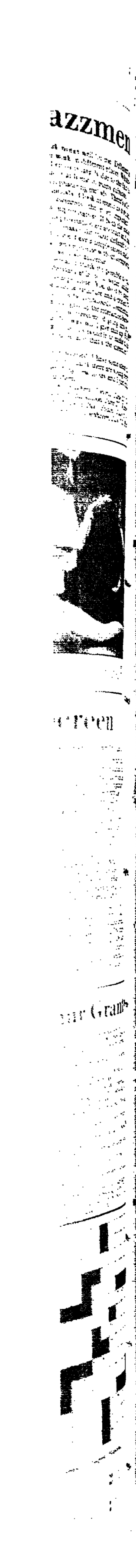
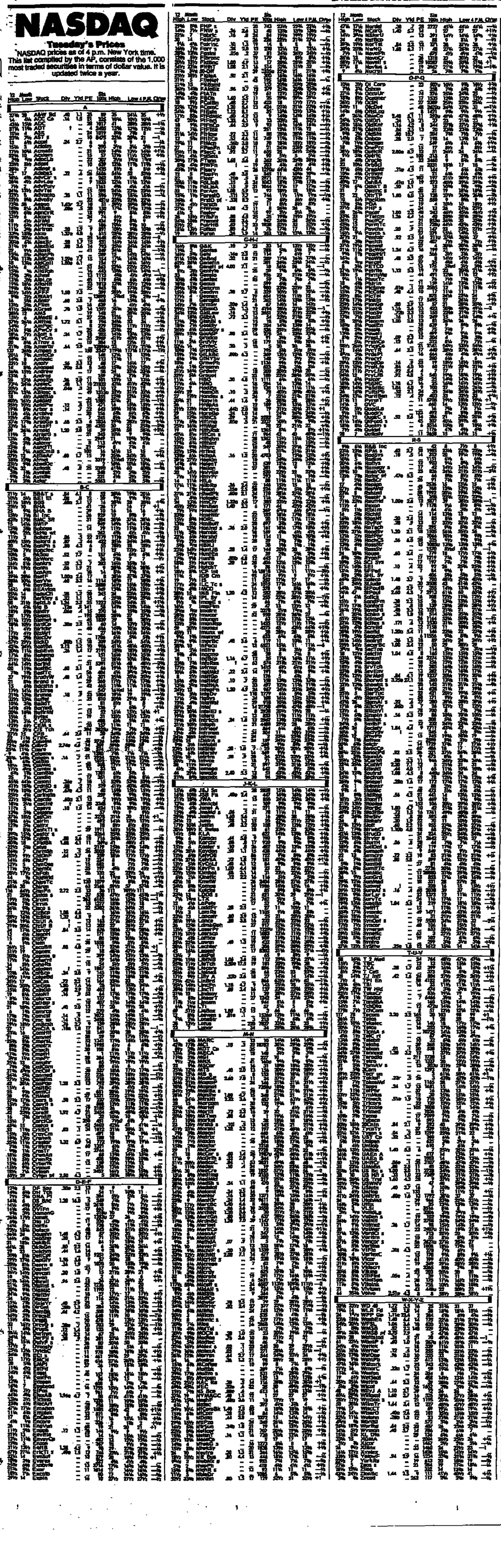
NASDAQ

Tuesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.





'Better Days Ahead' For French Rates

Compiled by Our Staff From Dispatches

PARIS — Finance Minister Pierre Bérégovoy, brushing aside renewed resignation rumors, on Tuesday hinted at a reduction of French interest rates and discussed strengthening of the French economy.

The resignation rumors, swiftly dismissed by an official spokesman as "unfounded," had sent French stock market prices falling sharply early Tuesday.

It was the second time in a few days that rumors had hit the markets that Mr. Bérégovoy might resign because of disagreements with Prime Minister Edith Cresson, who was appointed last month and Monday survived a no-confidence vote.

Mrs. Cresson said she had been surprised on taking office to discover a 32 billion franc deficit in the social security budget.

Monday's vote on Mrs. Cresson also automatically passed a controversial finance bill to raise an extra 16 billion francs.

Mr. Bérégovoy said that the revenue measure meant "better days lie ahead" regarding interest rates.

He said decisions taken by the government it its first month "to contain the budget deficit and balance the social security accounts will be appreciated by the markets now."

Mr. Bérégovoy is seen internationally as the firm hand on the franc, and financiers are nervous of the effect of any disagreement between him and Mrs. Cresson in what they see as a fragile political situation.

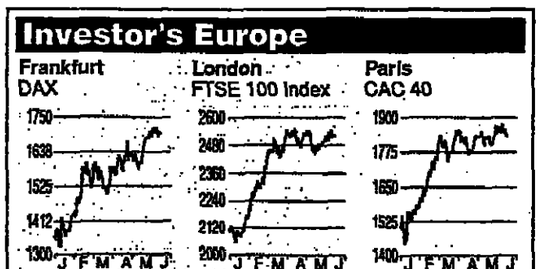
Mr. Bérégovoy, addressing a regular press conference, also said the dollar should not rise further, and he issued a veiled threat to act on gasoline prices if oil companies pushed them up excessively.

Mr. Bérégovoy also announced that French industrial output rose by 3.2 percent in April compared with the level in March, according to figures published by the INSEE statistical institute.

INSEE experts said that overall the figures pointed to a "slight improvement" but that "there is no clear trend to report."

Mr. Bérégovoy invited foreign companies, including Japanese, to invest in France, but he said "we want reciprocity." France had invested 141 billion francs abroad in 1990, but foreign investment in France totaled only 42 billion francs. *(AFP, Reuters)*

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	96.20	96.20	Unch.
Brussels	Stock Index	5828.55	5839.88	-0.19
Frankfurt	DAX	1695.42	1701.07	-0.33
Frankfurt	FAZ	710.16	717.73	-1.05
Helsinki	HEX	1024.60	1026.10	-0.15
London	Financial Times 30	1971.90	1977.60	-0.29
London	FTSE 100	2516.00	2524.00	-0.32
Madrid	General Index	283.30	284.20	-0.32
Milan	MIB	1191.00	1194.00	-0.25
Paris	CAC 40	1830.63	1844.85	-0.77
Stockholm	Affarsvarlden	1110.50	1104.40	+0.55
Vienna	Stock Index	N.A.	575.81	-
Zurich	SBS	631.90	631.50	+0.06

Sources: Reuters, AFP International Herald Tribune

European Bank Links Put on Hold

Reuters

MADRID — The Europartners group of four European banks has decided to place cooperation projects in limbo for six months while they decide whether to continue their association, one of the banks said on Tuesday.

The chairmen of Banco Hispano Americano SA, Banco di Roma, Crédit Lyonnais and Commerzbank AG met in Berlin on Monday to discuss the group's future.

The Europartners group was set up in the early 1970s as a loose consortium and in recent years took steps toward closer links through cross shareholdings.

The group's goals were influenced by plans for a single European market, an apparent change in strategy by Crédit Lyonnais, Banco Hispano's merger with Banco Central SA and a drawn-out merger between Banco di Roma and Cassa di Risparmio di Roma.

"Crédit Lyonnais' expansion in Spain and Italy was certainly an important factor in the decision to reflect on Europartners future," the Hispano representative said.

She said this was not necessarily the death knell for Europartners.

U.K. Output Slows, Its Debt Deepens

Compiled by Our Staff From Dispatches

LONDON — The British government published figures Tuesday showing it is twice as deep in debt as it was a year ago.

The Central Statistical Office also issued figures on Thursday showing factory production fell 6.5 percent in April compared with last year and fell 0.5 percent from March.

A slowdown in North Sea oil production for maintenance accounted for some of the fall in industrial production, analysts said.

The underlying slump in manufacturing was likely to increase pressure for interest rate cuts to revive the wilting economy, analysts said.

Others, though, saw suggestions in other statistics that the drop in factory production in the recession-hit economy may be be slowing.

But David Walton, an economist with Goldman Sachs, said, "There is no real sign yet that the turning point has been reached."

Wages and salaries per unit of output rose, to 11.4 percent in the three months to April after 10.9 percent in the three months to March.

Public-sector borrowing in May was £3.6 billion ($5.84 billion), double its level in May last year and up from £2 billion in April.

Officials say the government borrowed hard last month to help finance local councils.

The councils' income was hit by reforms to the poll tax — an unpopular new levy imposed a year ago, when Margaret Thatcher was prime minister.

This year's budget cut the poll tax and proposed to make up the difference in April by raising the value-added tax, a duty imposed on goods and services.

Officials say government borrowing will fall as value-added tax receipts build up during the year.

The pound was steadied Tuesday in part by a speech in the United States by Mrs. Thatcher who did not, as some traders had feared, criticize the negotiating tactics on European Community monetary union of her successor, John Major. *(Reuters, UPI)*

Dutch Expected to Lobby To Be Site of the 'Eurofed'

Reuters

AMSTERDAM — The Netherlands, which was passed over to host the new development bank for eastern Europe, hopes behind-the-scenes lobbying during its presidency of the European Community will help it win the bidding as the site for a future European central bank.

The Dutch candidate — Amsterdam — is considered to be on the short list of potential locations for the bank, but faces stiff competition from such centers as Frankfurt and Luxembourg.

"Our position is clear: We want that bank," said Joost van Iersel, a Dutch parliamentarian. "But it is a point that has to be lobbied for over a longer period. You have to play it subtly."

The choice of a home for the so-called "Eurofed" will hinge on political horse-trading among the 12 EC nations, who each want a share of Community institutions, analysts said.

Politicians envisage a bonanza of prestige, jobs and new industry flowing to the city that wins the bank, which would manage monetary policy in a unified Europe.

But the Dutch hope to tilt the balance in their favor with diplomatic maneuvring after taking over the Community's rotating six-month presidency from Luxembourg on July 1.

Not far from the surface, analysts said, is lingering Dutch resentment over the selection of London last year as the site for the new European Bank for Reconstruction and Development and the appointment of Jacques Attali, a Frenchman, as its president.

Sainsbury Issues Huge Share Offer

Agence France-Presse

LONDON — Britain's leading supermarket chain, J. Sainsbury PLC, made a massive £439.4 million ($788.4 million) share offer Tuesday aimed at financing the opening of new stores.

The firm called on its stockholders to take one new share for 10 old ones at 312 pence a share. In early trading, Sainsbury shares shed four pence to 363 on the stock exchange.

The bid for fresh capital is the latest in a series in the sector in Britain. In January, rival Tesco PLC raised its capital by £572 million, also to build new stores.

The large supermarket chains seek to dominate the profitable hypermarket sector.

Bucharest's Financial District Is Reborn

Reuters

BUCHAREST — Brass nameplates are appearing on walls in the financial district here as banks — given life by Romania's economic reforms — reoccupy their former grandiose halls.

One of the young technocrats spearheading Romania's drive to a market economy is the governor of the National Bank, Mugur Isarescu. Another symbol of capitalism, Bucharest's stock exchange, will return next year to its old building.

The government plans to start financing the budget with treasury bills, Mr. Isarescu said.

Temporarily housed in the National Bank, the stock exchange could reopen for trading in treasury bills in a few months, he said. Share trading would wait until parliament acts.

Last December the government created a western-style banking system, turning the National Bank into a genuine central bank in charge of currency and monetary policy, and splitting off its retail activities.

The government also gave the green light to the foundation of private banks, of which eight have since appeared.

The first was Banca Comerciala Ion Tiriac SA, founded by the former tennis star Ion Tiriac who has built up a successful business career in the West. It is housed in an ornate building on a street corner of the old financial district, facing the National Bank.

The Foreign Trade Bank has given up its former central bank functions, which included a monopoly over foreign exchange. The National Bank has set up a small free market in foreign exchange, in which all Romanian banks can take part.

Former state banks and those split off from the National Bank carry billions of lei in bad loans on their books, left over from credits granted on government order.

The Foreign Trade Bank — which reportedly has about 116 billion lei ($610 million at the free-market rate) of bad loans on its books out of total assets of 207 billion lei — has started applying commercial criteria to new loans.

The government will solve the bad loan problem, common to all former communist countries, by taking over the credits and giving banks and enterprises bonds serviced with proceeds from the sale of state companies, Mr. Isarescu said.

ENERGY: *Setback for the U.S.?*

(Continued from first finance page)

and oil prices are unlikely to move sharply in either direction.

One unintended consequence of the war was to centralize further the supply of oil. One-third of the oil produced by the 13 OPEC nations comes from a single source — Saudi Arabia. Before Iraq invaded Kuwait, Saudi Arabia produced less than a quarter of OPEC's oil.

The war, in fact, propelled Saudi Arabia into becoming the world's second-largest oil producer, jumping ahead of the United States. With the likelihood of continued turmoil in the Soviet Union, Saudi Arabia may eventually become the largest oil producer.

The trend toward greater energy efficiency in the United States seems to be ending, with most of the improvement having taken place before oil prices crashed in 1986.

Last year, some analysts say, energy efficiency actually declined. Even though new equipment is generally more efficient than old equipment, new cars are becoming less efficient.

"We chose to attack an unfriendly oil-exporting country, instead of attacking energy waste," said Mr. Geller of the American Council for an Energy-Efficient Economy.

What would have been the impact on oil supplies if Iraq had held onto Kuwait? Mr. Hussein might have used his control of its oil and the threat of his military might to push up world prices, and experts say the short-term impact on importing countries might have been severe.

But the longer-term effect would have been less so, they say, because imports would have gradually declined under the weight of higher prices, as was the case after the price shock of 1978-80.

The importance of Saudi Arabia's stability rises with U.S. reliance on imports.

The Department of Energy said net imports as a percentage of petroleum products sold in the United States rose from 34.8 percent in 1973, the time of the Arab oil embargo, to 43.1 percent in 1979, the time of the second oil shock.

With high prices, demand was depressed and domestic production stimulated, so by 1985 imports were down to 27.3 percent. But by last year, imports were back up to 41.9 percent.

Charles J. DiBona, president of the American Petroleum Institute, predicted, "Unless we have a very sharp increase in prices, consumption will rise and U.S. production will continue a downward trend."

Crude oil production was more than 9 million barrels a day in 1973, but for the first quarter of this year it was less than 7.5 million.

Demand in the first quarter was about 16.7 million but would rise sharply with an economic recovery, experts say.

The difference is made up by imports, which have have grown quickly.

But since the world's spare capacity is in the Gulf, reliance on the Middle East has grown even faster. Imports from Arab members of OPEC accounted for 13.2 percent of U.S. supplies last year, compared with 5.3 percent in 1973.

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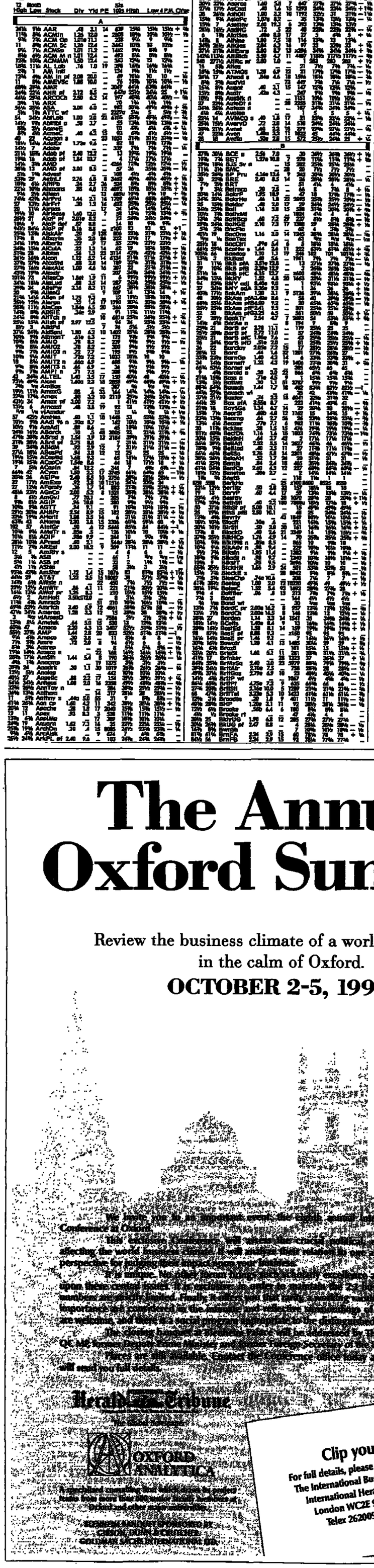
NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*



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(Continued on page 17)

NYSE Highs-Lows

NEW HIGHS 54

AMR 212pf, AmPresid, CWE 1.76pf, Crane, FredPaprBd, FresnaNCA, GNEU dep pf, IMC Fert, INCO Ltd, MNI Group, NCR Cp, RPS Rlty, StoneCont, WenticaEnv n, AT&T Cap wt, Arvin, ComTelChile n, DeltonaCo, FedPaperBd, FresnaNCA pf, GreatNCM pf, GNEU dep pf, Idex Cp, IntlFlavor, MarFtn s, NIM call pf, VIRtyPrem, Teradyne, Westvaco, Allegn Inc, Arvin pf, CenStor, DelPont, FstVaBks, GATX, HomeInfd, IlinoisCtrl, KCSouInd, MinnMng, NorthTel, NutmegInc, UnCamp, AlldTech n, Beth Steel, CooperTire s, EmersEl pfA, FirstInFd, GreenPn pf, HeftlStNY, IllPw wt pf, Kuhlman, Mahnkeno s, PNM 10pf, Smucker, ValueCity n

NEW LOWS 6

CCX Corp, PsiClnic pfD, CanalCap pf, GrndWstr n, CityFedBcp, Seitel, Colum Gas, SocNtEn ad

AMEX Highs-Lows

NEW HIGHS 15

AmTr-dd ac s, Angelex un, ETC Lavud, SunSurfW, AmTr-dd un s, CenderWineA, MLDM pwt, USFG Pac, AmTr-pp prm, CastleAM, Cosmos, WCI Hld pf, AmTr-un, EquerElCo wt, OrientHme A

NEW LOWS 4

CenfyComm, SierraCopl p, EnsoBio, Teleflex s, JustInd, NicholsC

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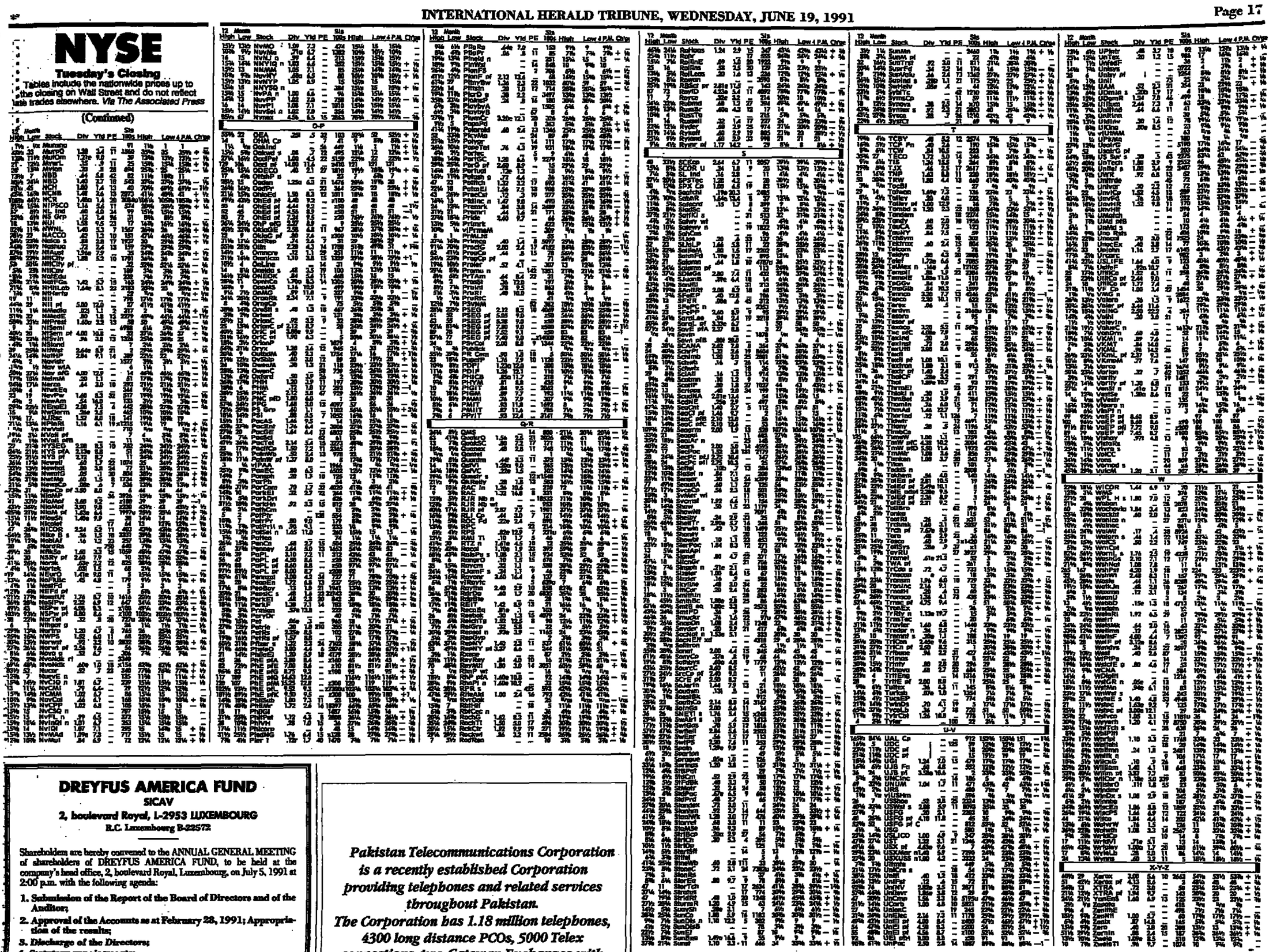
NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)



DREYFUS AMERICA FUND

SICAV

2, boulevard Royal, L-2953 LUXEMBOURG

R.C. Luxembourg B-22572

Shareholders are hereby convened to the ANNUAL GENERAL MEETING of shareholders of DREYFUS AMERICA FUND, to be held at the company's head office, 2, boulevard Royal, Luxembourg, on July 5, 1991 at 2:00 p.m. with the following agenda:

1. Submission of the Report of the Board of Directors and of the Auditor;
2. Approval of the Accounts as at February 28, 1991; Appropriation of the results;
3. Discharge of the *Directors*;
4. Statutory appointments;
5. Miscellaneous.

The shareholders are advised that no quorum is required for the items of the agenda of the annual general meeting and that decisions will be taken at the simple majority of the shares present or represented at the meeting.

In order to attend the meeting of July 5, 1991, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the company or with Banque Internationale à Luxembourg, Société Anonyme, 2, boulevard Royal, L - 2953 Luxembourg.

THE BOARD OF DIRECTORS

EASTERN CANADIAN SKI MOUNTAIN

FOR SALE

THE RECEIVER'S INTEREST IN THE ASSETS OF POLEY MOUNTAIN DEVELOPMENT LTD.

ASSETS FOR SALE

Poly Mountain Development Ltd. owns an established 10 trail ski mountain facility with a newly constructed 13,000 square foot lodge near a large population base on the Canadian East Coast, near Sussex, New Brunswick. The assets for sale include the Receiver's interest in Land, Buildings and Equipment.

MOUNTAIN STATS

Vertical Drop: 660 feet
Covered by Snowmaking: 80%
Total Uphill Skier Capacity: 3550 skiers/hour
Lifts: 1 Doppelmayr quad chairlift
1 T-Bar
2 Pony Tows

INSPECTION OF ASSETS

Those parties wishing to view the assets, or obtain any additional information and the complete list of Terms and Conditions, should contact Mr. Robert C. Smith, C.A. or Ms. Ellen MacLaughlan, at (506) 634-1000.

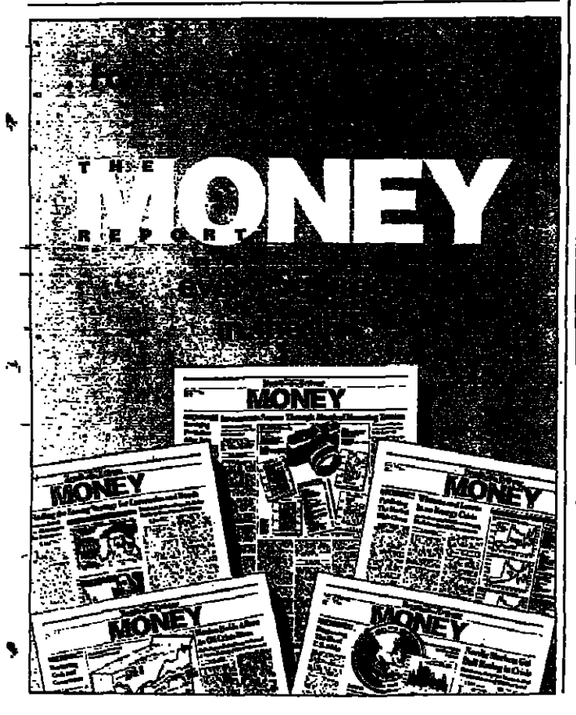
TERMS AND CONDITIONS

Interested parties must contact the Receiver for the complete terms and Conditions.

PEAT MARWICK THORNE INC.
Receiver for Poley Mountain Development Ltd
Fourth Floor, Harbour Building
133 Prince William Street
Saint John, N.B
E2L 3V6

Telephone (506) 634-1000 Fax (506) 633-8828

KPMG Peat Marwick Thorne



Pakistan Telecommunications Corporation is a recently established Corporation providing telephones and related services throughout Pakistan.

The Corporation has 1.18 million telephones, 4300 long distance PCOs, 5000 Telex connections, two Gateway Exchanges with 1900 circuits and substantial share holding in two manufacturing facilities.

Privatisation

OF PAKISTAN TELECOMMUNICATIONS CORPORATION

The Corporation is wholly-owned by the Government of Pakistan. The Government now intends to privatise the Corporation as a whole.
The Government may also consider offers for individual services/ functions/ facilities in terms of cities, regions etc.

The Corporation will extend full assistance in providing information about any aspect of its services/ functions/ facilities to prospective bidders. In addition, a pre-bid meeting will be organized by the Corporation, at its Head Office, on 30th June, 1991 to answer any specific query.

Persons wishing to express an interest in the purchase of a service, the network of a city, region or the entire network may indicate their interest by 15th July. For further details please contact:

Pak Telecom

Mr. Muhammad Sher Khan,
Additional Secretary,
Ministry of Communications,
Government of Pakistan,
'D' Block, Pak Secretariat,
Islamabad, Pakistan
Telephone No. 92-51-824059
Fax No. 92-51-828726
Telex No. 5713 MINCOM-PK.

Last date for expression of interest: 15 July, 1991.

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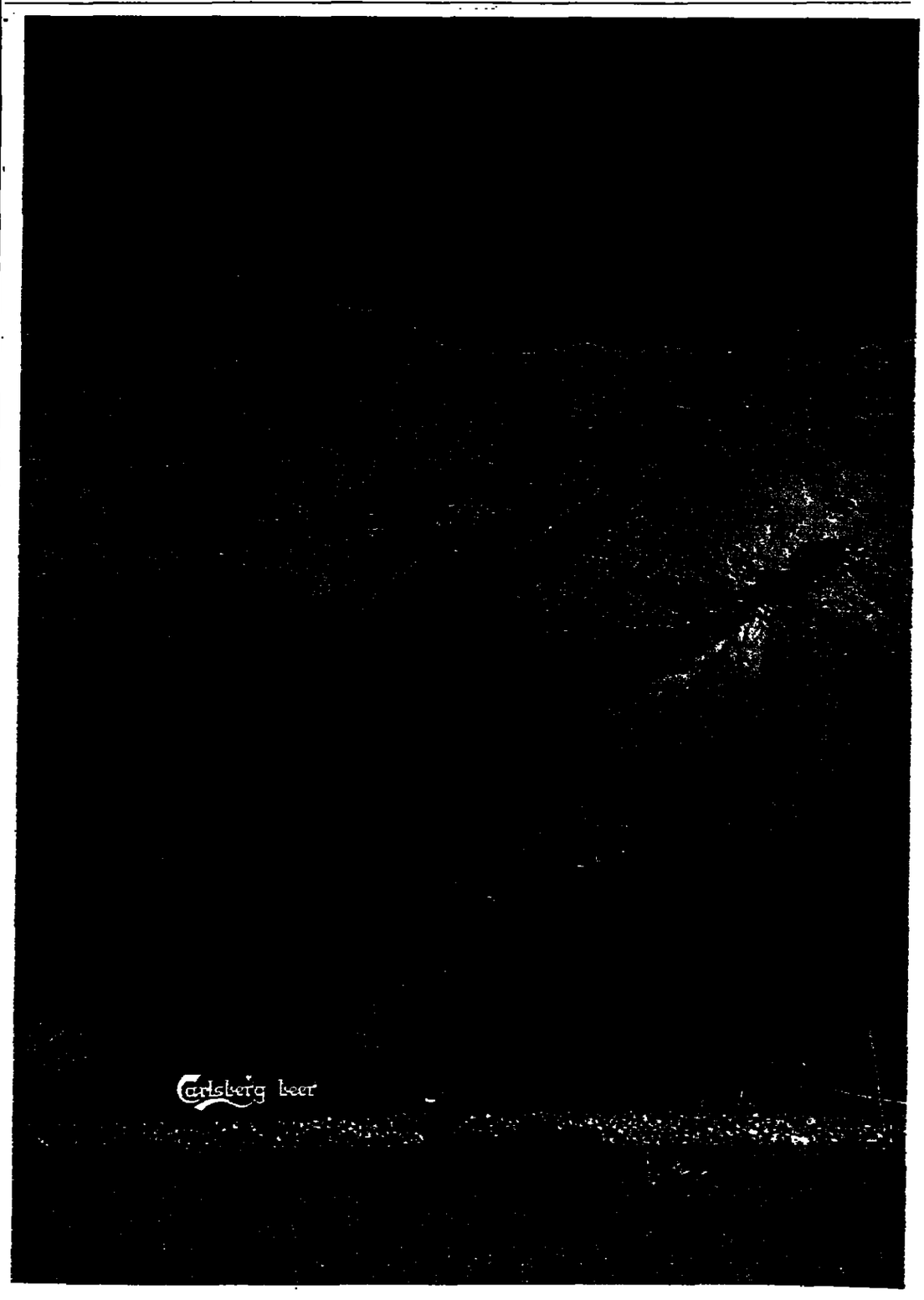

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Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

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W-X-Y-Z										
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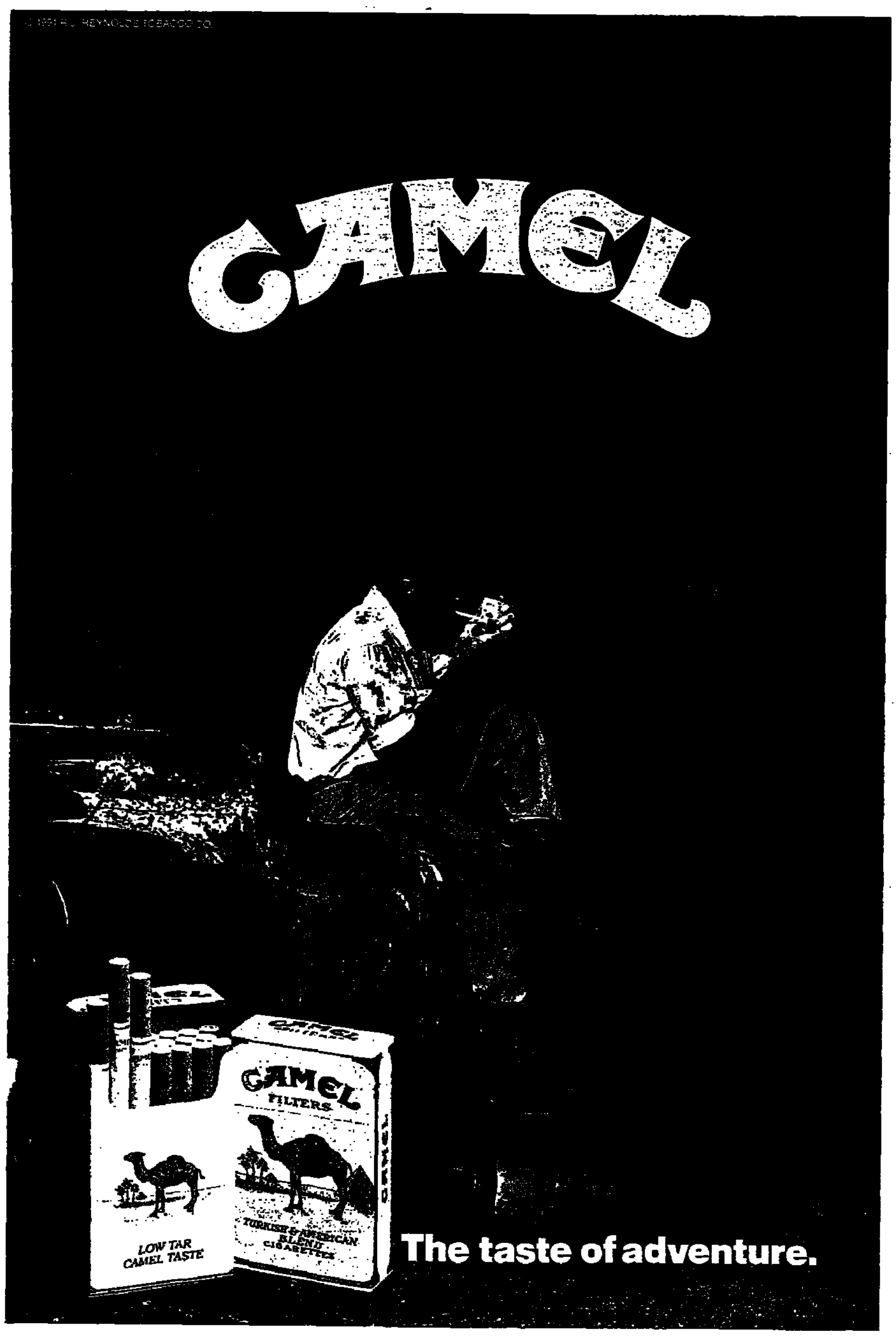
Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.



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Switzerland	S.Fr.	540	479	295
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China Dumps Its Socialist Car

Volkswagen Venture to Take Over Shanghai Automobile

Compiled by Our Staff From Dispatches

BEIJING — The boxy, lumbering Shanghai sedan, which China unveiled in 1958 as a triumph of socialist heavy industry, is going the way of its extinct East German cousin, the Trabant.

Shanghai Volkswagen Automotive Co., a joint venture between Volkswagen AG and Chinese partners, will take over Shanghai Automotive Industry Corp. in 1992 and retool it to manufacture Volkswagen Santanas, a Shanghai Volkswagen spokesman said Tuesday.

Shanghai Automotive Industry is one of the Chinese partners in Shanghai Volkswagen.

The Shanghai was China's only mass-produced car until Shanghai Volkswagen opened its first plant in 1985 to produce the Santana, which, like the Shanghai, is a four-door saloon car.

The new joint venture, shared equally between its German and Chinese partners, has an annual capacity of 60,000 Santana cars and 100,000 engines.

The addition of the new manufacturing plant, which is due to begin building Santanas in 1995, will increase annual production by 90,000 cars, the company spokesman said.

The company plans to produce 300,000 cars a year by the year 2000.

The demise of the Shanghai sedan was decreed by the city's central economic planners, who "are determined to build the auto industry into the city's largest industry in the 1990s," according to the official Xinhua news agency.

While lacking the zip of a Santana, the Shanghai had a certain charm of its own.

Modeled after the Mercedes 220 series of the 1950s, the Shanghai dominated China's fledgling auto market, its only competition the locally-produced "Red Flag" limousine that was reserved for China's leaders.

The boxy 1950s-styled sedan is joining its cousin, the Trabant, in extinction.

The agency said that although production was limited, the car remained profitable even last year. The Shanghai Automotive plant produced 7,200 Shanghai saloons in 1990, earning a profit of 56 million yuan ($10.5 million), ranking it among the top 10 most profitable enterprises in Shanghai.

But others were less charitable.

"The Shanghai brand, in both its style and its abilities, was already outmoded," the Workers Daily said on Tuesday. "It was produced in relatively small quantities, and did not go with the trend of automobile industry development."

"The Shanghai Car, which has been running in China for more than 30 years, cannot conform to the fashion of the modern car industry due to its backward style and function, and low output," it added.

Once extolled as a triumph of Chinese socialism, the car's star faded in the 1980s as free-market change and the "open-door" policy brought a flood of Japanese-made cars and the Mercedes-Benz became the favored ride for senior officials. *(Reuters, UPI)*

■ Inflation Hits 8.9%

Inflation in China's major cities rose 8.9 percent in May over May 1990 following dramatic official price rises for grain and cooking oil, but officials maintained that the economy was stable, Reuters reported from Beijing.

Consumer prices nationwide increased 4.5 percent in May over the previous year, the official People's Daily said on Tuesday.

The specter of inflation and possible rebellion against higher prices haunts state planners, who remember how the wave of pro-democracy unrest two years ago, crushed by the army in June 1989, spread from students to workers.

Japan GNP Increases Sharply

Compiled by Our Staff From Dispatches

TOKYO — The Japanese economy expanded a robust 5.7 percent during the last fiscal year, but economists said Tuesday that slower growth this year is all but certain.

The nation's gross national product, which measures output in goods and services, rose a real 5.7 percent in the fiscal year to March 31, against an unrevised 4.8 percent rise for the previous year, the Economic Planning Agency said.

And for just the three months ending March 31, the GNP expanded 2.7 percent from the previous quarter, which would be an annual growth rate of 11.2 percent.

Economists said the latest increase was due to healthy growth in the Japanese economy's two mainstays, domestic demand and capital spending.

But most analysts expect slower growth in the 1991-92 fiscal year ending next March.

Economists said that as the domestic economy slows, exports may play an increasingly important role in the nation's economic vitality, but could inflame already tender trade relations. *(Reuters, AFP)*

Tokyo Brokerages Cite Market Slump As Profits Plunge

Reuters

TOKYO — Slumping world securities markets cut deeply into the profit of Japan's Big Four brokerages in the year ended March 31, 1991, but the securities houses are hoping for some relief in the current year.

Japan's largest brokerage, Nomura Securities Co., said Tuesday that group net profit fell 57.7 percent in 1990-91 to 110.74 billion yen ($785 million).

Daiwa Securities Co. said its group net profit dropped 62.7 percent to 61.15 billion yen, while Yamaichi Securities Co. saw a decline of 63.3 percent to 39.92 billion yen.

Consolidated net profit at Nikko Securities Co. fell 66.3 percent to 43.81 billion yen.

Sagging earnings at the Japanese parent companies of all four securities houses accounted for much of the decline in consolidated profit, but profit of overseas subsidiaries also slid, company officials and spokesmen said.

Pretax profit at Nomura's U.S. subsidiary, Nomura Securities International Inc., fell 75 percent to 723 million yen, and pretax profit at its London unit, Nomura Europe PLC, dropped 72 percent to 7.28 billion yen, a Nomura official said.

"We have not yet created a structure to reduce our dependence on Japanese products," he said.

All four brokerages hope an upturn in the domestic and overseas markets will boost profit somewhat in the current year:

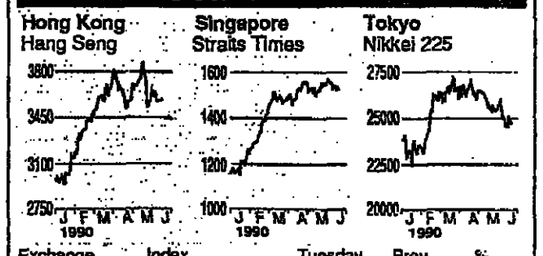
- Nomura expects group net profit to rise to 120 billion yen from 110.74 billion.
- Daiwa sees group net profits of 65 billion yen against 61.15 billion yen.
- Nikko forecast a rise to 55 billion yen from 43.81 billion yen.
- Yamaichi expects group net profit of 48 billion yen against 39.92 billion the previous year.

But whether the cautiously optimistic forecasts are met depends largely on still fragile health of the domestic Japanese market, some analysts said.

"The big imponderable is the domestic operation, and if that has a really poor year, which is certainly possible, no amount of improvement in London or New York will provide good figures," said one financial analyst.

Volume on the Tokyo stock exchange has been low for much of this year and the market has lacked the energy for a sustained rally.

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	Closed	3639.15	-
Singapore	Straits Times	1523.27	1534.08	-0.70
Sydney	All Ordinaries	1523.00	1523.30	-0.02
Tokyo	Nikkei 225	24685.47	24943.09	-1.03
Kuala Lumpur	Composite	630.23	632.31	-0.33
Bangkok	SET	805.90	803.81	+0.26
Seoul	Composite Stock	606.79	608.77	-0.33
Taipei	Weighted Price	6024.40	5925.19	+1.67
Manila	Composite	1086.87	1095.09	-0.75
Jakarta	Stock Index	374.96	374.44	+0.14
New Zealand	Barclays	1448.00	1440.00	+0.56
Bombay	National Index	653.24	645.00	+1.28

Sources: Reuters, AFP International Herald Tribune

India Unveils New Plan To Curb Outflow of Funds

Reuters

NEW DELHI — India has announced a new investment plan to attract funds from Indians living abroad, but bankers said Tuesday it was really aimed mainly at curbing possible outflows after inconclusive and bloody elections.

Funds from nonresident Indians, who are referred to here as NRIs, are currently estimated at $11 billion and are crucial to India's battered economy.

The plan was announced Monday by the country's central bank shortly after India completed its bloodiest elections.

The investment package introduced by the Reserve Bank of India will offer NRI deposits for a fixed five-year period at an annual interest rate of 10 percent, up from the previous maximum of 9 percent.

But the deposits, denominated in U.S. dollars and free from Indian taxes, will not qualify for repatriation outside India upon maturity, the bankers said.

Taiwan Jails Ex-Hung Yuan Chief

Reuters

TAIPEI — The former president of Taiwan's largest underground bank was sentenced Tuesday to five years and six months in prison for illegally accepting 96 billion Taiwan dollars ($3.6 billion) from depositors.

Yu Yung-ming, 45, who ran the Hung Yuan group, was convicted by the Taipei District Court of banking law violations, a court spokesman said.

Mr. Yu was arrested in April after more than six months on the run. The group chairman, Shen Chang-sheng, and 57 other Hung Yuan officials were convicted in March. Mr. Shen was given seven years in prison.

The group was declared bankrupt last month and court officials said its assets had shrunk to a little over 10 billion Taiwan dollars, making heavy losses among depositors inevitable.

Analysts See Malaysian Plan as First Step on a Tough Road

Reuters

KUALA LUMPUR — Malaysia's new 10-year economic plan is an important first step toward faster economic growth but the government faces an uphill task in turning the dream into a reality, analysts said on Tuesday.

Prime Minister Mahathir bin Mohamad on Monday unveiled his New Development Policy for 1991-2000 that stresses economic growth led by the private sector over the guarantee of an economic stake for Malays, known as *bumiputras*.

After 20 years of government help, the bumiputras still lag behind the Chinese economically, analysts say.

"We do not have all the time in the world," Mr. Mahathir said. "Bumiputras cannot expect economic policies to always favor them."

While bumiputras would still receive help in raising their stake in the corporate wealth of the Chinese-dominated economy to 30 percent from the current 20.3 percent, Mr. Mahathir said the government would be less generous than before.

Analysts say the fast-booming economy of Malaysia, a multiracial country of 18 million people, is still defined along racial lines and needs to undergo a transformation to ensure long-term stability.

The new development plan replaces the controversial New Economic Policy, which was in effect from 1971-1990 and sought to restructure society following riots in 1969 between Malays and Chinese.

The New Economic Plan sought to eradicate poverty and raise the corporate wealth of bumiputras, who comprise over half the population, to 30 percent in 1990 from 2.4 percent in 1971.

Economists say that Malaysia, which has set its sights on becoming a developed nation by the year 2020, will from now on become more careful in its industrialization program.

"Malaysia is a labor-short country," said Sanjoy Chowdury, Merrill Lynch's chief regional economist. "They have to think what kinds of industry they want by the year 2000."

Business leaders and economists all gave the thumbs-up to the new plan, but said the key to ensuring success lay in strong emphasis on implementation of the economic goals.

"It is a well-conceived plan that deals directly with the structural issues facing the country," said Ahmad Mohamad Don, chairman of the Association of Banks Malaysia.

"The government must create institutions and mechanisms to ensure that the targets are realized," said Ramon Navaratnam, executive director of Bank Buruh.

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INTERNATIONAL FUNDS

June 18, 1991

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SPORTS

Gymnastics Factory Balancing Act

By Christine Brennan
Washington Post Service

VLADIMIR, U.S.S.R. — On a quiet, dusty, dead-end road known as Sports Alley, in a dingy, cavernous building filled with overused balance beams and floor mats, would-be Olympic gymnastics champions of the year 2000 are training through the lunch hour.

It is in Vladimir, three hours east of Moscow by car that, over the years, some of the best gymnasts of the world have come as tiny children and left as Olympic champions.

This is the sports factory of Soviet legend and lore, ironically located in a sleepy, ancient city of 300,000, a place featured in tourist guidebooks of *medieval towns for its cathedrals and monuments.*

From Vladimir have come Olympic gold medalists Nikolai Andrianov, star of the 1972, '76 and '80 Soviet Olympic teams; Yuri Korolev, a two-time world champion who never made it to the Olympics because of the Soviet boycott of the 1984 Games, and Vladimir Artemov, the most decorated male gymnast at the 1988 Games in Seoul, winning four gold medals and one silver.

On the lobby wall in the building where dozens of little boys and girls practice handstands and flips, a collection of 25 photos of Artemov — some as a child, some from the Olympics — are gathered under the heading "Hail Our Olympic Heroes."

But Artemov himself is thousands of miles away, coaching at a gymnastics camp in Stroudsburg, Pennsylvania.

He is not training Soviet children but American children.

He went to the United States last year to escape the conditions of the Soviet Union and make money. He has two years left on his visa.

"I'm thinking about staying in the United States, maybe forever," Artemov, 26, said.

If he is proud of his gymnastics heritage, he will not say. He seems to have given up on his town and his memories. Asked why the Soviets are so good at gymnastics, Artemov said, "Because life is so bad."

For the last 18 months, all aspects of life in the Soviet Union have undergone dramatic change and turmoil. These changes are only beginning to affect the dominant international sports power — an Olympic juggernaut for four decades.

Seventy percent of the coaches at Vladimir's gymnastics factory are former pupils, according to its deputy director, Tatiana Belkina, a former pentathlete who was sent to Vladimir after graduating from the sports institute in Moscow.

Artemov, of course, is not among them, although he is expected back for the school's celebration of its 30th anniversary in October. He is one of the most prominent examples of the Soviet Union's "brawn drain," the exodus of top athletes to the United States or Western Europe for what they hope is a better life.

In Moscow, Olympic and gymnastics officials hardly flinch at the loss of another star. They prefer to use the exodus as an unusual incentive for young Soviet athletes: Become proficient at sports, win medals for the nation — then you can leave for a better life in the West.

"It's a wonderful chance," said Yuri Titov, a former Olympic standout who oversaw Soviet gymnastics for two decades and now is president of the International Gymnastics Federation.

"I practiced sport to see the world," he said. "For us, sport is a chance to get out, the way black people have used it in America to get a better life. It's not bad for us as a nation that athletes leave. It's good for them as individuals."

But in Vladimir, Artemov's departure is not regarded so cheerfully.

"He wasn't our first gymnast," Belkina said, "and we're going to have others."

"It was his right, we can't condemn him," said Lyubov Andrianova, Nikolai Andrianov's wife and the director of the newly formed gymnastics club at the sports school. "Personally, I would never go. There is only one motherland. These are not just pretty words."

Andrianova has been to the United States twice as a national coach. Before her marriage, as Lyubov Burda, she won gold medals at the 1968 and 1972 Olympics. She is a Soviet heroine despite being overshadowed by Olga Korbut at the 1972 Games in Munich.

Perfectly made up and wearing French perfume she said she bought in the Soviet Union, Andrianova looks like a 30s-something American woman

The Soviet Olympic Machine
The Perils of Change
Second of a series

about to go to an aerobics class. She is wearing a black T-shirt featuring the McDonald's logo from a competition last year in San Jose, California. She has on black tights, white leggings, pink nail polish and a Seiko watch.

If you were taking pictures of this place and its people, she is one of the few who would require color film.

"I'm not against people leaving for opportunities elsewhere," she said. "It doesn't matter where he goes, he will still be Vladimir Artemov, the man who brought glory to the school. Gifted people will always be here. The land will live on through those people."

There is perhaps no sport that typifies the Soviet athletic spirit better than gymnastics. The women have won the team title at all nine Olympics they have attended; the men have won the team title at their last two Olympics. In Seoul, Soviet women won three of the six gold medals and the Soviet men won or shared seven of the eight golds.

THESE ARE trying financial times for sport in the Soviet Union. Although Belkina and Andrianova say their government funding has not yet been cut, they are planning fund-raising efforts of their own and they admit they are concerned about how they will pay for new equipment. They do not have the hard currency, and rubles will not do, but they insist they will prevail. They will find a way to continue their domination, to prove wrong the doubters and those who have departed.

One look inside the two expansive gyms, each about 45 meters, or half a football field, long, illustrates the reason that the Soviet Union will probably continue to produce gymnasts. Dedication cannot be purchased. It must be learned. And in Vladimir it is.

They are 9 and 10 years old, the 40 or so girls in pigtails and ponytails bobbing around the gym. They already have broad shoulders, the omnipresent pasty Soviet complexion, the X-ray stare, the humorless expression.

They are cute, these girls, but they are no pixies. They stand in line, waiting to spring handstands down a mat. They do not touch one another. They do not laugh. They barely speak.

How can they not get distracted as other little girls do?

"They are already into their goals," Andrianova said, her own self-assured, icy stare unwavering. "They know what they need to do, and they are doing it."

This is the Soviet sports system exposed to the nerve.

These are systematically selected boys and girls, plucked out of early tumbling and jumping classes at about age 5 through a series of flexibility tests and given to the school's top coaches to turn into Olympic champions.

"This is the school for the Olympic reserve," Belkina said coolly. "This is not a school for people off the street."

In Washington, Artemov described the procedure:

"Usually, the coaches go into school and watch the boys," he said. "There are 10 tests — muscle size, strength, flexibility, running, things like that. After they watch you, and if they think you are good, they put you in a special class."

Andrianova said she and the other coaches examined the children's legs and arms and looked to see how thin and flexible they were, among other things.

"This way, we see who stays and who goes," she said.

At age 6, the surviving children participate in a ceremony, she said, in which they "pronounce vows" or give an oath concerning their dedication to gymnastics to one of the school's Olympic heroes.

This kind of regimen does not happen only in Vladimir. In Moscow, at the sports club of the Association of Trade Unions, the gymnastics school's director, Irina Zhukova, said that she and her staff went into nursery schools around the city to watch the 4- and 5-year-olds run and jump.

"We pick out the ones who are talented and bring them here," Zhukova said. "Gymnastics is so complicated a sport that it doesn't make sense to teach it to everybody at such a young age."

Asked what happens if a child does not want to become a gymnast, even if he or she shows signs of greatness, Belkina replied, "The coaches convince the parents their child can become a great gymnast. It depends on the talent of the coach to convince the parents."

Not coincidentally, coaches in gymnastics and all Soviet sports receive bonuses based on the performances of their athletes.

The school in Vladimir teaches sports only.

The gymnasts come by bus at 7:15 A.M. and train for nearly three hours. At 10 A.M., they walk behind the gymnastics school to their elementary school. They go to classes, eat lunch and do their homework there, then return to the gymnastics school at 4 P.M. for three more hours of training. The bus then takes them home.

THE COACHES are fed at the elementary school, and Belkina and Andrianova both said they eat differently from the average Soviet citizen, who is not eating well these days.

AP

Mia Foster/The Washington Post

Young gymnasts training in Vladimir; former star pupil Vladimir Artemov, who is now training American children in Pennsylvania, after winning a gold medal in Seoul: The Soviets are so good at gymnastics "because life is so bad."

Asked for details, the women turn vague.

"It's not necessarily better food, but maybe more fruit," said Andrianova.

"Maybe more juice," said Belkina.

Are the children eating correctly?

"They don't complain that they are hungry," Andrianova said.

The children in Vladimir train "absolutely free," Belkina said. The education fund of the city's budget supports the sports school, she said. The only change because of the times is that some coaches at the school now charge the parents of nursery school children for lessons.

"Sure, we are aware of the situation in our country," Andrianova said. "But this kind of school always will find funding. Obviously it demands a lot of funding, but it will get it."

Asked how much money the sports school receives from the government, or for a budget from the last few years, the only answer offered by either woman is that the government gives them between "200,000 and 600,000 rubles." (Under the old exchange rate, $33,000 to $100,000; under the new, $7,000 to $22,000, although there are other rates and comparisons may be pointless.)

They added that they really did not know for sure.

They themselves make meager livings by Western standards. Belkina said she earned 250 rubles a month, average for a Soviet worker ($9 under the new exchange rate of 27 rubles to the dollar); Andrianova, 350 rubles per month ($13).

Then again, lunch for four across the street at the corner restaurant is less than the equivalent of $4. For that price, diners receive bread, cucumbers, tomatoes, a broth one person tells an American not to touch, meat dumplings and watered-down juice.

There are subtle signs that perhaps the government will not fund the school forever.

Andrianova is in charge of the new gymnastics club, whose purpose is to raise money for the school.

"The time has come for the school to make its own money," said Belkina. "We must make something out of our own reputation. We have to try to protect ourselves from future problems."

ANDRIANOVA offers a letter to a visitor to take back to the United States. In ragged English, it is the Soviet version of a press release, offering trips to Vladimir for gymnastics camps.

It is not cheap. Cost per child per day: $100, not counting airfare.

"We want people to come see our tradition," Andrianova said. "Of course, we will charge for that."

In Stroudsburg, at the International Gymnastics Training Camp, Artemov works with children who might someday become U.S. Olympians.

He was making 300 rubles a month from Gossport, the government sports ministry, as an instructor and former athlete in Vladimir. His salary is "much better in America," he said. It is estimated to be at least $50,000 a year.

He is far from home, and he says he does not miss it. When he talks to his parents or friends, he says, he feels distant. He belongs in America, he says.

"I like it here much, much more," he said. "I try to make a house in Vladimir, but there are problems with manufacturing the materials, so I have no house. Here, I live in a house at the camp. I am happy here. I'm scared to go back to Russia. There is no food, no nothing.

"I have two more years to think before I have to go back. I'd like to stay. So I'm thinking. Slowly."

NEXT: The future — "Just Do It"

Soviet Boxers Like Japan's New Promise

The Associated Press

TOKYO — For Soviet boxers hoping to triumph in the professional ring, Japan has become the place to go.

Two already hold Japanese national championships, and a third is challenging.

Vyacheslav Yanovski, 33 and a latecomer to pro ranks, said he came to Japan for "big money."

In March, he became the first Soviet holder of a Japanese title by wresting the junior welterweight championship from Rick Roberts, a U.S. serviceman stationed in northern Japan.

The second is Orzubek Nazarov, who knocked out Kenji Yagi in April to take Japan's lightweight championship. As an amateur, he was the 1987 European lightweight champion.

The 1989 amateur world flyweight champion, Yuri Arbachakov of the Soviet Union, has his sights set on Japan's vacant professional flyweight title. In world rankings, Arbachakov is ninth among the World Boxing Council flyweights.

Yanovski, Nazarov and Arbachakov were among six Soviet athletes who signed pro contracts with a Japanese gym two years ago as their country opened up. Two of the six since have returned home because of disappointing performances.

But Arbachakov, 25, has stretched his undefeated pro record to six victories, all by knockout. As an amateur, he was 165-21.

Yanovski lives with his wife and two sons in a condominium and receives a monthly salary of 350,000 yen (about $2,500) under a contract with the Kyoei Boxing Gym, said Mack Kanehira, its manager.

Prize money is extra. For his first Japanese title bout, Yanovski received 400,000 yen.

Rent, telephone and utility bills are paid by the gym, Kanehira added.

The imports have helped draw fans to Tokyo's Korakuen Hall, the mecca of the nation's amateur and professional boxing.

But the welcome is not unanimous. One fan, writing in a letter to the Japanese monthly Boxing World, said, "Frankly speaking, matches between foreigners are not fun."

BOOKS

TRUE CRIME

By Michael Mewshaw. 288 pages. $19.95. Poseidon Press, 1230 Avenue of the Americas, New York, N.Y. 10020.

Reviewed by James Sallis

"MEN murdered themselves into this democracy," D. H. Lawrence said of the United States. Tom Heller, protagonist of "True Crime," has long since removed himself from that America, living in Rome with an Italian wife and two sons whose only knowledge of his origin comes from infrequent stories, dipping back into the States only for the research and interviews essential to his career. Yet it is with him as it was with Heraclitus's lice: What we could not find, has come with us.

Heller writes true crime, best-selling books that "open a door on the gamey secrets of privilege, offering readers entry to a world they could simultaneously envy and despise." He is often uneasy with, sometimes feels imprisoned by, his success, yet dressing for return to a scene of youthful humiliation, revels in donning, in place of the past's chinos, Hush Puppies and drip-dry shirt, an Ermenegildo Zegna suit and B. Beltrami shoes.

The novel opens with a call from Tom's brother, informing him that their quarrelsome, difficult father has been shot. He immediately books a flight and plunges back into an America, and the past, he has carefully distanced himself from. "I had sealed off the past the way you'd close the compartments of a sinking ship," he remarks.

That past, that America, includes an abusive, alcoholic father; memories of the quiet, spiderlike mother from whom he learned his skills as a watcher, a survivor taking nothing on faith; brother Buck, who sank into the old life as definitively as Tom escaped it, and now serves as lawyer to the poor and generally guilty; and rich-girl Elaine, Tom's first great love, whose father and son are shot at the same time as Big Tom Heller, and who stands accused of their murders.

Initially, thinking that someone he's written about may have harbored a fatal grudge, Heller feels responsible: "I was a carrier and Big Tom had caught the disease." Drawn in further, he attempts to keep his distance by withdrawing behind his role as writer, pretending a book on the whole affair, trying desperately to retain the sheltered "stereoscopic view" so important to him, insider and outsider at the same time. But soon his involvement becomes too intimate to allow such self-illusion to continue:

"But this time I was after a larger story, the one that would tie up the loose ends of my life. To get it I'd have to be smarter and tougher than I'd been before, and if that meant putting the torch to some of my most cherished notions. . . . well, I believed it was worth the risk of going down in flames."

Late in the book, pursued by police, a crazed, murderous lawyer and reporters much like himself, picking at the tangle of threads and frayed lines that are his life, Heller at last begins to recognize the ties, the many acts of intimacy by which he and his current life are linked inextricably to others, and to his past:

"My life, my career, was being unwritten before my eyes. Having set out to discover the identity of a victim as well as the murderer, I had failed on both counts. I was the only one exposed, the only culprit incriminated in this case."

"True Crime" is a convincing novel, its pace and voice faultless. Listen, author Mewshaw tells us, leaning close: Murder is as commonplace as our daily lives; that which we flee, the husks we think to leave behind, pursue us, ambush us, all our lives; and only in honest relationships with others, those few we manage, can we ever find the ultimate acts of intimacy that are everything.

James Sallis, a poet and a novelist, wrote this for The Washington Post.

BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	LOVES MUSIC, LOVES TO DANCE, by Mary Higgins Clark	1	6
2	HEIR TO THE EMPIRE, by Timothy Zahn	5	4
3	OH, THE PLACES YOU'LL GO! by Dr. Seuss	2	64
4	AS THE CROW FLIES, by Jeffrey Archer	3	6
5	THE FIRM, by John Grisham	4	14
6	"E" IS FOR HOMICIDE, by Sue Grafton	6	7
7	HEARTBEAT, by Danielle Steel	8	17
8	VORTEX, by Larry Bond		1
9	THE CROWN OF COLUMBUS, by Michael Dorris and Louise Erdrich	10	5
10	THE SPERRSS OF KELL, by David Eddings	11	10
11	IMMORTALITY, by Milan Kundera	9	3
12	POSSESSION, by A. S. Byatt		18
13	HOW TO MAKE AN AMERICAN QUILT, by Whitney Otto		4
14	BRIGHT CAPTIVITY, by Eugenia Price	7	6
15	THE CAT WHO KNEW A CARDINAL, by Lilian Jackson Braun	14	3

NONFICTION

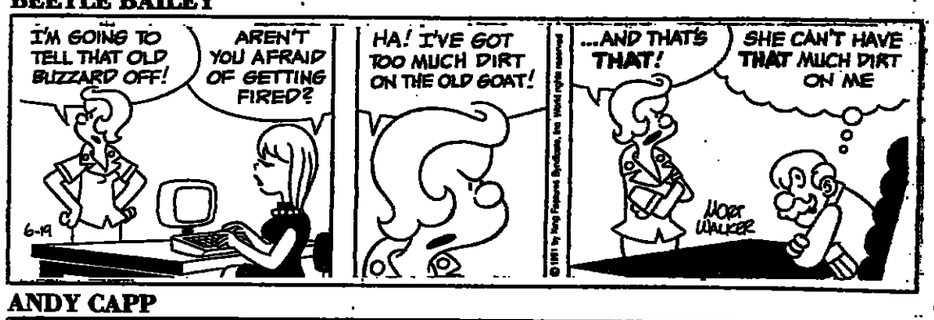
1	THE COMMANDERS, by Bob Woodward	1	5
2	IRON JOHN, by Robert Bly	2	30
3	NANCY REAGAN, by Kitty Kelley		3 8
4	COUNSEL TO THE PRESIDENT, by Clark Clifford with Richard Holbrooke	13	2
5	WOODY ALLEN, by Eric Lax		2
6	REAL PONIES DON'T GO OINK! by Patrick F. McManus		1
7	IF YOU REALLY LOVED ME, by Ann Rule	8	3
8	YOU'LL NEVER EAT LUNCH IN THIS TOWN AGAIN, by Julia Phillips	5	12
9	FIRE IN THE BELLY, by Sam Keen	4	5
0	BULLY FOR BRONTOSAURUS, by Stephen Jay Gould		1
11	THERE ARE NO CHILDREN HERE, by Alex Kotlowitz	7	8
12	SILENT COUP, by Len Colodny and Robert Gettlin	14	2
13	ILLIBERAL EDUCATION, by Dinesh D'Souza	6	5
14	SLEEPWALKING THROUGH HISTORY, by Haynes Johnson	15	11
15	IN OUR DEFENSE, by Ellen Alderman and Caroline Kennedy	12	12

ADVICE, HOW-TO AND MISCELLANEOUS

1	THE GREAT WALDO SEARCH, by Martin Handford	5	75
2	WEALTH WITHOUT RISK, by Charles J. Givens		114
3	HOMECOMING, by John Bradshaw	2	44
4	WHERE'S WALDO? by Martin Handford	1	32
5	DO IT! LET'S GET OFF OUR BUTS, by John Roger and Peter McWilliams		1

PEANUTS

BEETLE BAILEY

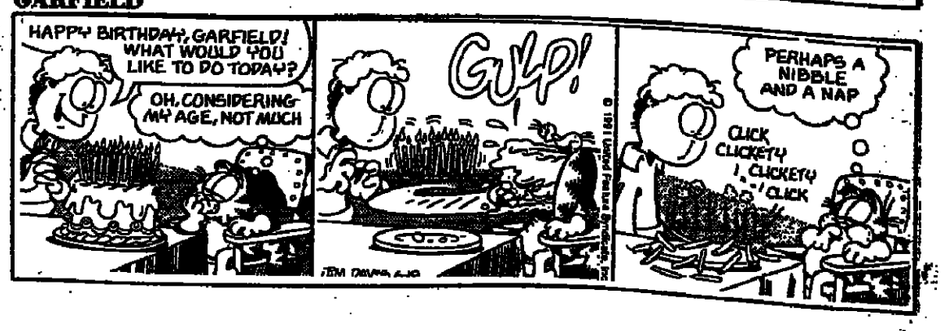


ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD



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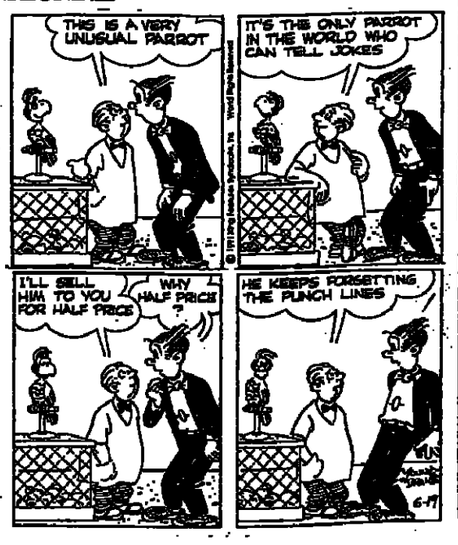
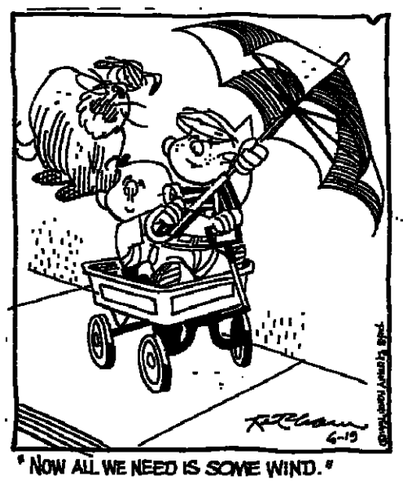
BLONDIE



DENNIS THE MENACE



JUMBLE THAT SCRAMBLED ... ND GAME
by Henri Ar... and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

GEWED

WUNDE

YORCUT

DOITUS

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: A ____ TO THE "____"

(Answers tomorrow)

Yesterday's Jumbles: OFTEN BOOTH MARTYR PLOVER
Answer: If you're dissatisfied with those gray hairs that are cropping up, see a professional who can get to the — THE ROOT OF THE PROBLEM

SPORTS

Dinner With Hidalgo: A Course in Dreams

International Herald Tribune

LONDON — It was the midnight hour in Paris. Michel Hidalgo, the most decorated coach in French soccer, flowed with words as fine as the wine.

Hidalgo was a dinner guest on the eve of Olympique Marseille's final match of a bitter-sweet season. The team was to play, and lose, the French Cup final, after which Hidalgo was to become another of Bernard Tapie's unemployed. But the game, and the end of a contract, was hours away. Now, Hidalgo was full of mellow reminiscence and great affection for such players as Chris Waddle and Jean Pierre Papin.

Perhaps Hidalgo knew it, perhaps he did not, but throughout the grown-ups' three hours of talking and eating, a small boy with large eyes had been eaves-dropping behind a door. When the party adjourned to the sitting room, the child took his chance. He entered bold and alert, and within moments Hidalgo was cradling the youngster beneath his wing.

The game is life to Michel Hidalgo and, without considering for an instant that a child might not be a player, he was asking what position the boy occupied?

Rob Hughes

"Libero," was the reply. "Aha. And do you know Mozer [Carlos Mozer, the Brazilian defender at Marseille]? He is one of the best."

The rest of us in the room were superfluous. The boy grilled the coach with third degree intensity: Why did Marseille lose the European Club Champions' Cup? Would Tigana play in tomorrow's final?

To interrupt would have been foolish. They were equals, this 58-year-old former French team coach and this 8-year-old. Two children of different eras exploring one another's knowledge and enthusiasm for the game. Half an hour later, as Hidalgo reluctantly prepared to leave, the lad produced an irresistible object: a small, padded ball. And since Hidalgo has never been much of a size, he and his new pal were still not noticeably unequal as they played in the mirrored corridor of the elegant apartment.

Why am I telling you this?

Because it is late in a year that has stretched from the disillusion of a World Cup final that had only one goal, and that on a disputed penalty, to a European Champions' Cup involving Marseille that had no goals at all.

Because, though the European ball has stopped rolling, soccer is being carried into overtime now that most children's idol, Diego Maradona, is about to be hauled through the courts charged with drug taking and trafficking.

Because there is a remarkable tonic in a man like Hidalgo, having come through a lifetime of winner-take-all professional sport, so intuitively sharing a child's love of the game.

HIDALGO knows full well the excesses that soccer has embraced as readily as he embraced the child. He was in charge of France when, at the 1982 World Cup semifinal in Barcelona, Germany's goalkeeper, Harald Schummacher, bodychecked Patrick Battiston, stopping a goal but breaking Battiston's jaw and shattering the French aspiration.

Hidalgo was also the coach at France's finest hour, when it won the 1984 European Nations' Cup — although even then an ugly butt by Manual Amoros early in the tournament besmirched the glory.

In addition, Hidalgo had threatened to abandon his 1978 World Cup team in Argentina when the players spent the hour before a game blacking out trade marks on their shoes because Adidas refused to double the bonus. So cynicism Hidalgo has known. But more than most he has stuck to two beliefs:

- That players respond to liberal leadership;
- That soccer is an expression of an extended childhood.

As national team manager from 1976-84, his selections defied the modern trend toward claustrophobic defensive systems. He fielded three midfield creators — Platini, Giresse and Genghini — whom he called "number 10s, players who organize in a technical sense but do not defend."

He trusted their instincts. He was lucky to have such talents, but he dared to liberate them. "I never wanted to be obeyed," he said. "I sought a welding together, an agreement and an ambition in terms of shared objectives."

His cooperative was so naive a concept it won.

And the child in him? Again, it was always there. I have never forgotten Hidalgo saying, "Believing in dreams is often the only way of achieving reality. If you don't believe in something, it is difficult to attain it."

The man is now unwanted at Marseille. Surely some rich patron somewhere remembers that he also was a winner, and feels it might be fun, and fruitful, to find out if there is life yet in French romanticism.

Hidalgo, a professional within the sport after all, is not as extreme a traditionalist as some of us. He, for example, argues that, human nature being what it is, we must widen the net for goal scorers; many of us resist such change.

What I share with Hidalgo, what he, to some extent, nurtured in me long before we met, is a faith in soccer as a *game* that people of all colors, creeds, nationalities and social backgrounds can play or dream the dream together.

THERE IS, this very week, evidence of soccer spanning a cultural divide: Korea has just beaten Argentina at the FIFA-Coca Cola World Youth Championships in Portugal. Think of it: Argentina, a genuine soccer power, the pod from where Maradona became the most alluring, if later corrupted, player among the 100 million who kick a ball.

Beyond the surprise of Korea's victory is the motivation and the meaning it may have back home. Not since 1945 has communist North Korea agreed to a united front with capitalist South Korea on anything.

Just a few months ago the two states won their separate ways through Asia's qualifying tournament. North and South, the governments then asked FIFA's permission to field a unified Korean team.

On Saturday, Korea's under-19 team beat Argentina, 1-0. On Monday, Korea drew, 1-1, against the Republic of Ireland (representing a still divided population). Now Korea meets host Portugal in Lisbon on Thursday with a superb chance of being one of the two group qualifiers for the quarterfinals.

To assume that a sporting coming together might nudge the two Koreas toward political and ideological harmony is naive. But as someone said: Believing in dreams might be the only way to achieve reality.

Rob Hughes is on the staff of the Sunday Times.

■ Venables Says He May Become Marseille's Coach

Terry Venables, the coach of Tottenham, could be on his way to manage Marseille if his takeover bid for the ailing London club fails, Reuters reported from London.

"Something positive in that direction will happen in the next couple of days," Venables said Tuesday. He said he has had preliminary talks with Marseille's president, Tapie.

According to newspaper reports, the takeover bid by Venables, with the financial backing of businessman Alan Sugar, appears likely to be foiled by publisher Robert Maxwell, himself a friend of the current chairman of the club's holding company.

Orioles' 3-Run Rally In Ninth Ends Twins' Victory Streak at 15

By Robert Fachet
Washington Post Service

BALTIMORE — It is a cardinal rule of baseball: do not put the opponent's potential winning run on base deliberately. The Minnesota Twins' manager, Tom Kelly, defied that hoary tradition and paid for it with his team's 15-game winning streak.

Randy Milligan's two-out, two-strike, two-run double to left-center climaxed a three-run ninth-inning rally Monday night that gave the Baltimore Orioles a 6-5 victory. His drive followed an intentional walk to Cal Ripken, who then raced home from first with the winning run.

The victim was Rick Aguilera, the relief ace who had pitched three innings Sunday in Cleveland and obviously had little left when Kelly brought him in to start the ninth with the Twins, who won four one-run games and two in extra innings during their team-record winning streak, just three outs away from going 16-for-16 in June.

AMERICAN LEAGUE

The Twins had swept three one-run decisions from the Orioles in the Metrodome and Baltimore's manager, John Oates, said: "I looked up at the scoreboard, it read 5-4 and I thought, 'How many times have we been one hit away?' Then it's up against the wall."

Kelly defended his decision as "the right thing to do, I believe," and added: "If I had to do it over, I'd do the same thing. Rick just put the pitch right down the middle of the plate and that's the way it goes."

Dan Gladden, an eighth-inning replacement in left field, fumbled the ball, eliminating any chance of a play on Ripken at the plate.

"It was right in between Danny and me, and we had to play it off the wall," said center fielder Kirby Puckett. "It would have taken two perfect throws and as soon as Danny bobbled it, we had no chance. I'll tell you one thing, the fans got their money's worth. I thought it was a great game."

The Twins, who insisted all along that their winning streak was nothing special, took the defeat in the same vein.

"It was inevitable," Puckett said. "It's like living and dying. We're all going to die one day, we just don't know when. We didn't know when we were going to lose, and we hoped it would be later than sooner, but today was just the day for it to happen."

Allan Anderson, the Twins' starter, who would have won his fourth straight start if Aguilera had been sharper, said: "We played good baseball throughout the streak and we played good baseball tonight. We've played some pretty close ball games and the past 15 games went our way. Tonight it went down to the wire and it went against us."

■ *In other games, The Associated Press reported:*

Rangers 10, Royals 9: The longest winning streak in the major leagues again belongs to Texas, which won 14 in a row last month and stretched its current streak to seven by making up a 9-4 deficit against Kansas City.

Ruben Sierra hit a three-run homer in the eighth and a tying two-run single in the ninth before Gary Pettis won it with a bases-loaded bloop single in the 10th in Arlington, Texas.

Texas made four errors that led to four unearned runs. Gary Thurman's two-run single in the seventh snapped a 4-4 tie and Carmelo Martinez gave the Royals a seemingly safe 9-4 lead with a three-run homer in the eighth.

Angels 4, Red Sox 2: Wally Joyner's two-run double keyed a four-run fifth as California averted its first four-game sweep in Fenway Park since 1967 with Mark Langston holding Boston to six hits for seven innings.

Brewers 5, Athletics 0: Don August pitched a five-hitter for his first shutout in two years, and Billy Spiers and Jim Gantner sparked a five-run fifth inning with two-run singles as Milwaukee beat visiting Oakland.

On 3 Holes, an Open and Shut Story

Mike Blake/Reuters

On the 18th green, Payne Stewart got a big hug from his daughter, Chelsea, along with his second major golf title.

By Ken Denlinger
Washington Post Service

CHASKA, Minnesota — Payne Stewart backed into his second major golf championship, winning the U.S. Open during an 18-hole playoff the same way he did not lose it in the fourth round, by overcoming a two-shot deficit to Scott Simpson with three holes to play.

On the 16th green at Hazeltine National Golf Club, two putts away from a par, Simpson seemed to have his second Open title in four years well in hand Monday.

Instead, he three-putted there,

U.S. OPEN

dunked a 4-iron into a pond a hole later, then made his third straight bogey trying for the close-to-impossible chip-in for a birdie as he lost by two strokes.

Because Stewart's three-over 75 was the highest winning Open playoff score since 1927, and because Simpson played the final three holes in five-over par the last two rounds, Simpson said, "I lost the Open two days in a row."

Stewart said he felt "sorry for" Simpson. "But there has to be a champion — and I'm glad it's me."

Stewart made just one birdie Monday, but it came at exactly the right time: a 20-foot (6-meter) putt on 16 that made Simpson's three-footer for par doubly difficult. For most of the tournament, Simpson had been the most accurate putter in the field. When his ball stayed out on 16, it set up his third three-putt of the playoff.

And so Stewart and Simpson were tied as they walked the 100 or so meters to the 17th tee. Stewart was way ahead and smiling. A fan yelled encouragement, not realizing that the person directly between him and Stewart was Simpson's wife.

On the tee box, Simpson fiddled as Stewart nailed a 5-iron to within 18 feet on the 182-yard hole. Then, as his ball left a 4-iron, Simpson had a feeling this Open was sinking beyond control. His arms crossed and tight to his chest, he simulated a full body turn. He had needed one more pure swing, and hadn't got it.

Needing a slight fade, he had pulled the ball. The 1987 Open champion dropped his club to his feet as the ball headed for the greenside pond. But gritty to the end, he hit a brilliant 40-yard pitch across the pond after a penalty-shot drop and canned a 10-footer for bogey.

Some drama remained.

On 18, the luck that had been at Stewart's side a fair amount of a sunny, slightly windy day stayed there. Had his tee shot at the par-3 No. 8 not hit a rock and bounced into fair territory, he might have made 5 instead of the bogey he took.

All week, players had been saying that if they had to hit a crooked shot, let the ball come to rest in sand rather the thick rough. On 18, Stewart's 1-iron shot found the sand. Simpson's drive hit the same fairway bunker, but hopped out and into a jungle of grass.

Since Stewart's shot had landed in a trap with very little sand, he had some control over his 6-iron approach. The ball landed about 40 feet short of the pin and on the fringe; a close-to-the-pin chip was possible.

Simpson had no idea what would happen with the 7-iron he struck. The ball bounced on the hard green and over it, leaving a "pretty tough" chip from a downhill lie to the pin about 15 feet away.

That chip followed the routine one that Stewart hit to about four feet.

"I tried to give it a chance," said Simpson, figuring Stewart would not miss his uphill putt for par. Struck too hard, Simpson's ball rolled about 10 feet past the hole; he missed for par.

That left Stewart in a dream position — needing only to two-putt from less than a body length to win the Open.

After rolling champagne into the interview room, Stewart said: "We put on a good show. It wasn't outstanding golf, but the course was difficult. Very firm. It tested your patience. It tested your ability. It tested your fortitude. I was fortunate."

Redus Keeps Drabek and Pirates Rolling

The Associated Press

Gary Redus hit his first home run this season and doubled twice, and Doug Drabek won his fourth straight decision as the Pittsburgh Pirates beat the Padres, 3-2, in San Diego.

Redus, who has been platooned at first with Orlando Merced, homered off Bruce Hurst with one out in the third for a 3-0 lead after hitting leadoff doubles in the first and eighth innings.

NATIONAL LEAGUE

Drabek shut out the Padres on six hits before being chased by consecutive singles by Tony Fernandez and Tony Gwynn leading off the eighth. In his last five appearances, including a no-decision, last year's Cy Young Award winner has allowed only four earned runs in 36 innings for a 1.00 ERA.

"Things have been going better, plus I've gotten a lot of help offensively and defensively," he said.

Dodgers 6, Cubs 4: Los Angeles, with Juan Samuel and Kal Daniels homering in the sixth inning, coasted to a 6-0 lead before holding on to win at home against Chicago.

Mets 10, Reds 6: New York won for only the third time in seven games on its homestand as Howard Johnson and Hubie Brooks hit two-run homers against Cincinnati.

The Mets snapped the Reds' four-game winning streak with the help of three Cincinnati errors, two by outfielders.

Phillies 4, Braves 3: Dale Murphy's homer with one out in the bottom of the eighth in Philadelphia handed Atlanta its fourth consecutive loss.

Expos 3, Astros 2: Montreal twice rallied when two outs from defeat, then beat visiting Houston on Tim Wallach's RBI single in the 16th. The Expos were outhit, 12-6, but came back from 1-0 and 2-1 deficits in the ninth and 11th innings to win their fourth straight.

Cardinals 5, Giants 4: St. Louis won a seesaw game in San Francisco on Geronimo Pena's sacrifice fly in the ninth after Todd Zeile doubled to start the inning and was bunted to third by Tom Pagnozzi.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	33	28	.541	—
Toronto	34	29	.540	—
Detroit	30	32	.484	3½
Milwaukee	28	33	.459	5
New York	25	33	.431	6½
Baltimore	23	38	.377	10
Cleveland	22	38	.367	10½
West Division				
Minnesota	38	26	.594	—
Oakland	37	26	.587	½
Texas	33	25	.569	2
California	34	28	.548	3
Seattle	33	29	.532	4
Chicago	29	31	.483	7
Kansas City	29	32	.475	7½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	38	22	.633	—
St. Louis	33	29	.532	6
New York	32	29	.525	6½
Chicago	31	32	.492	8½
Montreal	29	34	.460	10½
Philadelphia	25	36	.429	12½
West Division				
Los Angeles	37	25	.597	—
Cincinnati	33	29	.532	4
Atlanta	31	29	.517	5
San Diego	33	32	.508	5½
Houston	25	38	.397	12½
San Francisco	25	39	.391	13

Monday's Line Scores

AMERICAN LEAGUE

California 000 040 000—4 7 0
Boston 000 020 000—2 7 1
Langston, Eichhorn (8), Harvey (8) and Tinsley; Harris, Gray (8) and Pena. W—Langston, 9-2. L—Harris, 2-7. Sv—Harvey (16).

Oakland 000 000 000—0 5 0
Milwaukee 000 050 00x—5 6 1
Moore, Young (7) and Quirk; August and Surhoff. W—August, 5-2. L—Moore, 8-5.

Minnesota 010 020 110—5 14 1
Baltimore 002 100 003—6 12 0
Anderson, Bedrosian (7), Aguilera (9) and Harper, Ortiz (8); Milacki, Flanagan (6), Williamson (8) and Melvin, Whitt (9). W—Williamson, 1-2. L—Aguilera, 2-3. HRs—Minnesota, C.Davis (15). Baltimore, Devereaux (9), C.Ripken (14).

Kansas City 020 200 220 0—7 12 0
Texas 100 200 022 1—10 17 4
(10 innings)
Gordon, Crawford (6), S.Davis (7), M.Davis (8), Montgomery (8) and Macfarlane; Barfield, Petkovsek (8), Jeffcoat (9) and Stanley, Ja.Russell (10). W—Jeffcoat, 2-1. L—Montgomery, 1-3. HRs—Kansas City, Tartabull (11), Seitzer (1), Martinez (3). Texas, Buechele (10), Sierra (10).

NATIONAL LEAGUE

Atlanta 000 200 000—2 7 0
Philadelphia 200 010 01x—4 11 0
Avery, St. Claire (5), Berenguer (8) and Olson; Greene, M.Williams (8) and Lake. W—M.Williams, 1-3. L—Berenguer, 8-2. HRs—Philadelphia, Kruk (9), Murphy (10), Greene (1).

Cincinnati 000 102 300—6 11 3
New York 200 200 00x—10 13 1
Scudder, Gross (3), Armstrong (4), Carman (7), Power (7) and Reed; Darling, Siemon (7), Veiers (7), Sauveur (8), Innis (9) and Carone. W—Darling, 3-4. L—Scudder, 1-3. HRs—Cincinnati, Doran (1). New York, Johnson (14), Brooks (11).

Houston 100 000 000 010 000 0—2 12 2
Montreal 000 000 001 010 000 1—3 6 0
(16 innings)
Deshaies, Osuna (10), Capel (12), Schilling (15) and Bissio; Boyd, Ruskin (9), Burke (11), Jones (13), Fassero (16) and Reyes. W—Fassero, 1-1. L—Schilling, 3-5.

Chicago 000 000 012—4 10 0
Los Angeles 300 003 00x—6 7 0
Boskie, McElroy (6), Bielecki (8) and Wilkins; Morrison, Crews (9) and Sciscia. W—Morrison, 7-5. L—Boskie, 3-4. Sv—Crews (4). HRs—Chicago, Dunston (7). Los Angeles, Samuel (10), Daniels (8).

Pittsburgh 201 000 000—3 5 0
San Diego 000 000 020—2 10 0
Drabek, Kipper (8), Belinda (8), Palacios (9) and Slaught; LaValliere (9); Hurst, M.Maddux (8) and Santiago. W—Drabek, 6-7. L—Hurst, 7-4. Sv—Palacios (2). HR—Pittsburgh, Redus (1).

St. Louis 200 010 111—5 12 2
San Francisco 000 020 200—4 8 4
Olivares, Terry (7), Agosto (8), L.Smith (9) and Pagnozzi; Robinson, Brantley (7), Oliveras (8), Risbeth (8) and Kennedy. W—Agosto, 4-1. L—Risbeth, 2-3. Sv—L.Smith (16).

Japanese Baseball

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Chunichi	31	21	1	.596	—
Yakult	32	22	1	.591	—
Hiroshima	28	22	1	.559	2
Yomiuri	29	27	0	.518	4
Taiyo	25	29	1	.464	7
Hanshin	15	39	0	.278	17

Tuesday's Results
Chunichi 7, Taiyo 6, 10 innings
Yakult 6, Hiroshima 1
Yomiuri 4, Hanshin 2

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	33	19	2	.635	—
Kintetsu	30	23	0	.566	3½
Nippon Ham	28	25	1	.528	5½
Daiei	25	24	0	.510	6½
Orix	22	32	1	.409	12
Lotte	20	35	0	.364	14½

Tuesday's Results
Seibu 7, Orix 3
Nippon Ham 7, Kintetsu 4
Daiei 8, Lotte 5, 10 innings

GOLF

World Rankings

1. Ian Woosnam, Wales, 19.93-point average; 2. Jose Maria Olazabal, Spain, 17.51; 3. Nick Faldo, Britain, 15.59; 4. Greg Norman, Australia, 13.82; 5. Payne Stewart, U.S., 12.20; 6. Severiano Ballesteros, Spain, 11.78; 7. Paul Azinger, U.S., 11.27; 8. Bernhard Langer, Germany, 9.83; 9. Hale Irwin, U.S., 9.33; 10. Mark McNulty, Zimbabwe, 9.25;
11. Tom Kite, U.S., 8.87; 12. Laddy Watkins, U.S., 8.78; 13. Fred Couples, U.S., 8.75; 14. Larry Mize, U.S., 8.34; 15. Mark Calcavecchia, U.S., 8.15; 16. Curtis Strange, U.S., 7.62; 17. Masashi Ozaki, Japan, 7.51; 18. Corey Pavin, U.S., 7.42; 19. Chip Beck, U.S., 7.35; 20. Mark O'Meara, U.S., 7.12.

TRANSACTIONS

BASEBALL

American League

CALIFORNIA—Put Lance Parrish, catcher, on 15-day disabled list as of June 10. Recalled Mike Fetters, pitcher, and John Orton, catcher, from Edmonton, Pacific Coast League. Activated Junior Felix, outfielder, from 15-day disabled list. Put Bob McClure, pitcher, on waivers to give him his unconditional release.

CLEVELAND—Activated Sandy Alomar Jr., catcher, from 15-day disabled list. Put Eric Khia, pitcher, on 15-day disabled list.

MINNESOTA—Activated Junior Ortiz, catcher, from 15-day disabled list. Optioned Lenny Webster, catcher, to Portland, PCL.

Edberg and Becker Draw Tough Wimbledon Openers

The Associated Press

WIMBLEDON, England — Stefan Edberg and Boris Becker, the top two seeds, drew challenging opponents Tuesday for their first-round matches at Wimbledon.

John McEnroe and Andre Agassi should have relatively easy openers in the world's top grass court tournament, which begins Monday.

Edberg, the top seed and defending champion, will face hard-serving Marc Rosset of Switzerland, ranked No. 34 in the world. Becker, a three-time Wimbledon champion, will play former German Davis Cup teammate Carl Uwe Steeb.

McEnroe, seeded 16th, drew little-known Jaime Oncins of Brazil in the first round and faces a qualifier in the second round if he advances.

The toughest player McEnroe could face in the third round would be Horst Skoff of Austria. He could then play Edberg in the next round.

Agassi, seeded fifth and playing at Wimbledon for the first time since 1987, drew Grant Connell of Canada in the first round.

If Agassi makes it to the quarterfinals, he could face either 11th seeded Emilio Sánchez, a clay-court specialist who has never made it past the first round at Wimbledon, or Patrick McEnroe, who plays well on all surfaces.

Jimmy Connors, the 1985 champion who received a wild-card this year, will play Veli Paloheimo of Finland in the first round. Connors could wind up facing eighth-seeded Pete Sampras in the third round.

Sampras drew Martin Jaite, a clay-court specialist from Argentina, as his first opponent. In other first-round men's pairings, French Open champion Jim Courier, the fourth seed, plays Rodolphe Gilbert of France, and ninth-seeded Michael Chang faces grass-court specialist Tim Mayotte.

Among the women, top-seeded Monica Seles has a first round match against Sabina Appelmans of Belgium and No. 2 Steffi Graf plays Monique Javer of Britain.

Third-seeded Gabriela Sabatini will face Barbara Rittner of Germany. Nine-time champion Martina Navratilova, seeded fourth, drew Elna Reinach.

■ Seles Will Play in Cup

Seles will play for Yugoslavia after all in the Federation Cup tennis competition, The Associated Press reported from London.

But Martina Navratilova and Gabriela Sabatini are skipping the event and could be ineligible for the 1992 Olympics in Barcelona, a spokesman for the International Tennis Federation said Tuesday.

Seles had threatened to bypass the cup, calling it a waste of time because Yugoslavia has no other world-class players and would likely be eliminated in the first round.

But the rules say players must make themselves available for the Federation Cup or Davis Cup to qualify for the Olympics, said an ITF spokesman, Ian Barnes.

The Federation Cup, set for July 21-28 in Nottingham, England, is the top women's team event. The Davis Cup is the men's equivalent.

Seles has long wanted to play in the Barcelona Games.

SIDELINES

Tour de France Adds 6 Teams to Field

PARIS (AP) — Tour de France organizers named six teams Tuesday as wild cards to fill out the field for this year's cycling race.

Two were teams with former winners: Castorama of France, with Laurent Fignon, and Tonton Tapis of Belgium, with Stephen Roche. Also added to the field were Amaya Seguros of Spain, Ryalcao Postobon of Colombia, and the Dutch teams Panasonic and TVM.

For the Record

The Bengal Bay Yacht Club of Japan has withdrawn from next year's America's Cup because of a lack of funds, it announced. *(Reuters)*

Kevin Loughery was named coach of the Miami Heat, his sixth NBA coaching job, although he will not be released from his contract as an Atlanta Hawks' assistant until after the June 26 draft. *(AP)*

Quotable

● Martina Navratilova on Wimbledon: "They probably seeded me fourth because I've lost on clay."

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OBSERVER

Congressional Yawn

By Russell Baker

NEW YORK — President Bush twitted the Congress last week. Advance rumor had it that he would blast the Congress, but this proved false, and he confined himself to twitting it.

Even this was probably more than Congress is worth in the public view. It is demonstrable fact that in the public view Congress is worth, at most, a tush-tush from the president. Surely not a mighty blast, nor even the twitting the president gave it. Not that the Congress is dispensable, of course. Heaven forfend!

To the great and wised-up American public, however, it is an exceedingly uninteresting thing. Bush knows this. His flunkys poll the American public 10 times per hour. Though this habit may be deadly to leadership and produce little information of consequence, it has surely tipped off the White House to the truth that, to the public, Congress is one vast yawn.

An amateur could tell this from a glance at election returns. Every two years a public minority re-elects virtually the same old Congress. Imagine: The majority of Americans don't even think it's worth bothering to vote for a Congress.

What's worse, the few who do vote care so little about whatever the members may be up to that they don't consider them consequential enough to be kicked out of office.

□

Governors, mayors and county supervisors, by contrast, are regularly savaged in every election. That's because the public really cares about what they do. Not so with Congress.

This vast indifference to Congress gives a comic tinge to old, traditional routines played out on the public stage between presidents and the Capitol Hill crowd. The public stage, of course, is television nowadays, and Congress is the quintessence of everything that television finds deadly.

Talking heads, for instance. Is there anything in all U. S. television bleaker than C-Span's presentation of congressmen reading their dim, self-serving, end-of-the-day speeches to a completely empty chamber while trying to pretend they are as Cicero addressing the Roman Senate in the treason of Catiline?

By contrast the presidency is a network programmer's dream of paradise: A single family faces the trials, the heartbreak, the comedy, the etcetera of all the TV malarkey that has been rotting the American brain for half a century. It makes presidents tops in the ratings, year after year after year.

Presidents must realize they are wasting their assets when they stage performances like Bush's twitting of the Congress for not passing a couple of his not very essential bills. Anybody out here care about Congress not passing those old bills?

O.K., Newt Gingrich and Alan Simpson, you're heard from. For the rest of us though, it's 11th-rate television.

All this is the kind of pastime that increasingly absorbs the Washington crowd these days. It is politics treated as pure game. President blasts or twits, as the case may be; Congress balks or retaliates, etc.

□

Why do we, sitting out here, bored with this musty old routine, wondering why they don't cut the comedy and do something, something useful for Heaven's sake! — why do we suspect that they are winking at each other?

Don't you sometimes feel mad enough to say: "Hey, you guys! Quit patronizing us. Wake up! The world is flying to pieces out here! Get serious!" But what's the use? you probably say, and don't vote.

The stagey "clashes" between president and Congress, the blasting and the twitting and the rest of it, feel like a kind of politics that belongs to the age of the campaign train and the advertising money being spent for billboards and funny hats that said "I Like Ike."

In that era of pre-television politics, there was real substance in the power struggle between Congress and president. In the age of the sound-bite campaign and the 30-second spot, everything seems to be just a set-up for another dreary campaign commercial. In short, they're just funning us, aren't they?

Or as the English philosopher Spike Milligan has said, "You can fool some of the people all of the time and all of the people some of the time, which is just long enough to be president of the United States."

New York Times Service

Several Generations of Tolstoys, at Home

By Michael Dobbs

Washington Post Service

YASNAYA POLYANA, U.S.S.R. — Countess Vera Tolstoya visited her grandfather's estate for the first time in seven decades the other day — and quickly noticed something that was out of place.

"That statue should be taken away," she announced imperiously, pointing to a white alabaster monument to Vladimir I. Lenin, the founder of the Soviet state. "He was against everything my grandfather stood for. Lenin believed in using force and terror to achieve his ends. He is responsible for Russia's present disaster. Tolstoy thought that force was impermissible under any circumstances, even in the name of creating a better society."

Scattered across the globe by the 1917 Bolshevik Revolution and kept apart by the East-West divide, the direct descendants of Leo Tolstoy returned home this month for an extraordinary family reunion. Three generations of Tolstoys gathered at the family estate at Yasnaya Polyana, 150 miles (250 kilometers) south of Moscow, where Russia's greatest writer was born and spent much of his adult life.

Granddaughter Vera, the doyenne of the family at age 87, crossed the ocean from Florida to reminisce about what it was like to bounce on Tolstoy's knee. Grandson Serge, a prosperous Parisian doctor, arrived with copies of his book "Tolstoy and the Tolstoys." Great-grandson Pyotr, who speaks scarcely a word of Russian, left his farm in Sweden. Great-grandson Luigi flew in from Italy — and then disappointed everyone by leaving early. A bus-load of Soviet Tolstoys drove down from Moscow.

For a few hours, Yasnaya Polyana ceased being a literary museum and was transformed back into a family estate. Peasants from surrounding villages performed folk dances for the visiting Tolstoys, just as their ancestors had done for Leo.

The story of what happened to the Tolstoy family after the old man's death in 1910 is itself an epic on the scale of "War and Peace" and "Anna Karenina." The Tolstoys have been directly

Michael Dobbs/The Washington Post

Nikita Ilich Tolstoy, a great grandson of the writer.

affected by the great social and political upheavals of the 20th century: war, revolution, the ideological contest between capitalism and communism. At the same time, they have experienced their own private joys and tragedies, births and deaths, marriages and divorces. A family tree prepared by the former curator of Yasnaya Polyana records 187 direct descendants of Lev (or Leo, in English) Nikolaevich Tolstoy, dispersed across four continents.

"Many Tolstoys were forced to flee Russia during the Civil War because they fought for the Whites [against the Reds]. It was a question of life and death," said Nikita Ilich Tolstoy, a professor at Moscow State University and a great-grandson of the writer. "As a result, we are bearers of different cultures. But we are united by the Tolstoy spirit, a spirit of extraordinary equality. It's like belonging to a great symphonic orchestra in which everyone has his place."

"We have all inherited something from Lev Nikolaevich," said Pyotr Pyotrovich Tolstoy, the Swedish farmer who up until this month had never met any of his Russian cousins. "We have high foreheads, blue eyes, and we tend to be tall. We all have an optimistic outlook on life."

"We are very close in our views. We love liberty," said Ilya Vladimirovich Tolstoy, whose father fought with the Whites in the civil war. "No Tolstoy sided with the Reds during the civil war, just as no Tolstoy fought with the Nazis during the last war. That would have been impossible for a Tolstoy."

Since escaping the advancing Bolsheviks in 1920, Vera Ilichevna Tolstoya has had a varied life. As she traipsed across Europe and America, picking up languages and national customs, she sang in a Paris nightclub, sold perfume in New York and worked for the Russian section of the Voice of America in Washington.

Paradoxically, it has taken a visit to communist Russia — where the aristocracy was abolished in 1917, along with the czar — for the Tolstoys to be treated like aristocrats again. Television cameras and journalists followed them everywhere they went.

"We have been overwhelmed by the attention," Vera Ilichevna Tolstoya said. "The reverence of ordinary Russians for anything to do with Tolstoy is incredible. Anything my grandfather ever touched, anything he ever used, is regarded as a museum piece."

Half a dozen Tolstoy homes, including the main estate in Yasnaya Polyana, have been preserved for posterity. The railway station at Astapovo where Tolstoy died at the age of 82 after fleeing the "intolerable luxury" of Yasnaya Polyana and the oppressive attention of his wife of 48 years, Sofya, has also been turned into a museum. The great man's descendants were forcefully immersed in all this Tolstoyana, although Vera begged off Astapovo. She still cannot think of her grandfather's climactic quarrel with her grandmother without bursting into tears. "He wanted to see [Sofya], but they wouldn't let her into the railway station. It was cruel," said Vera Ilichevna, the only surviving family member who remembers what Yasnaya Polyana was like when Tolstoy was alive.

With the exception of Tolstoy's youngest daughter, Alexandra, who was also his favorite, most members of the family took Sofya's side in the dispute. "Sofya Andreevna embodied the spirit of Yasnaya Polyana," said great-grandson Nikita. "She was the mistress of the house in the best sense of the word, looking after everybody, organizing the children, constantly making fair copies of Tolstoy's manuscripts."

After Sofya's death in 1919, the children went their own ways. Ilya, who had fought against the Communists, escaped to Yugoslavia via the Crimea. His brother Mikhail took the same route, but ended up in France. Tatyana went to Italy, Alexandra to Japan and later to America. Lev Lvovich married the daughter of his Swedish doctor, founding the Swedish branch of the family before eloping with a Gypsy girl. Of the 13 Tolstoy children, only eldest son Sergei remained behind in Russia after the Revolution, dying in Moscow in 1947.

"The first generation was completely dominated by Tolstoy. Essentially they lived off his name, writing up the reminiscences. The second generation began to strike out for themselves. But it's only the third generation that has been forced to start working," said Pyotr Pyotrovich, the Swedish great-grandson.

But even some of the third-generation Tolstoys have had difficulty finding their own niche in life. Great-grandson Sergei, who escorted his mother, Vera, to the Soviet Union, has just been thrown out of his lodgings in Washington after a quarrel with his landlady. "They call me the homeless count," he joked. "I have no money, no possessions, no house. Tolstoy would have been proud of me."

The Soviet Tolstoys were easy to spot at the Yasnaya Polyana reunion. Proud of their Russianness, they justifiably feel closer to Tolstoy than their European and American relatives.

"Some of the Tolstoys have become completely assimilated to another culture. The Swedes, for instance," said Nikita Ilich, whose scraggly white beard resembles his great-grandfather's. "They are certainly better off than we are in material terms. But I feel more fortunate. Happiness is not just a matter of material well-being, but spiritual well-being as well."

None of the Western Tolstoys, by contrast, feels any regret about leaving Russia. "If we had stayed here, we would have been killed," said Vera Ilichevna. "I'm glad we didn't stay here," said her son, Sergei. "The communists have made an incredible mess of this country."

PEOPLE

Designer Alistair Blair Quits House of Balmain

The troubled French fashion house of Pierre Balmain said on Tuesday that the ready-to-wear designer **Alistair Blair** had quit after just a year in the job. A Balmain spokeswoman said the 40-year-old Scottish designer gave no reason for his departure, but Women's Wear Daily reported that he quit after growing tired of switches in strategy at the fashion house. Balmain has changed hands twice in the last two years. The financier **Alain Chevalier** bought it from a Canadian businessman, **Eric Fayer**, in 1989 for a reported 550 million francs (about $100 million), but the fashion house had heavy 1990 losses and earlier this month it was bought for about a tenth of that price by a perfumes and cosmetics group with links to Fayer.

□

Not to be outdone by his rival **M.C. Hammer**, the rap performer **Vanilla Ice** went out and bought a $300,000 Porsche. The car was built in 1988 for a Tulsa, Oklahoma, businessman and is one of four Porsches whose body work and design were crafted by **Uwe Gemballa**, a designer of exotic cars. The only other entertainer purported to have a Gemballa-built car is M.C. Hammer. Modifications to Ice's Porsche include the installation of a 1,600-watt stereo system and engine work to increase horsepower. Vanilla Ice will also pay $20,000 to have the car repainted to blend with his personal color scheme.

□

A California appeals court upheld a $5 million award to the former lover of **Rock Hudson**, ruling that the amount is not too large to compensate for "the ultimate in personal horror," the fear of developing AIDS. The court rejected arguments by the actor's estate that **Marc Christian** failed to show a likelihood that he contracted the AIDS virus during sexual relations with Hudson. **Marvin Mitchelson**, Christian's lawyer, and lawyers for the Hudson estate were in settlement talks when word reached them of the court's decision.

□

Queen Elizabeth II has installed **King Baudouin** of the Belgians as a knight of the garter in a ceremony at Windsor Castle. The ceremony of the order of Christian chivalry took place in St. George's Chapel after lunch off gold plate.

PERSONALS

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The Global Newspaper
Edited and Published in Paris
Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo, Frankfurt.

International Herald Tribune

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No. 33,688 25/91 ** PARIS, THURSDAY, JUNE 20, 1991 ESTABLISHED 1887

Europe Urges U.S. to Join Unit to Guard Iraqi Kurds

Allies Would Establish Multinational Brigade On the Turkish Border

By William Drozdiak
Washington Post Service

PARIS — Only days before the last U.S. forces plan to leave northern Iraq, the European allies are urging the United States to maintain several hundred ground troops along the Turkish-Iraqi border as part of a multinational brigade that would protect the Kurds from future retribution by Saddam Hussein.

French and British officials said the allies hoped to achieve general approval this week on the mandate for a crisis reaction force consisting of a brigade-size contingent of ground troops from the United States, Britain, France and Italy that would be based in Silopi, Turkey. Those forces would be supplemented by U.S. air power from a NATO base in Incirlik.

An American general warns of an Iraqi attack on Kurds after U.S. troops are gone. Page 4.

The officials said the United States had already agreed to extend its final pullout deadline by 10 days to July 4 to provide more time for discussions and to make a smooth transition to a residual protection force.

The plan, called Operation Poised Hammer, is designed to reassure many Kurdish refugees who have returned to their hometowns in northern Iraq but now appear ready for another exodus if they are left without adequate protection from Iraqi government troops who have attacked them mercilessly in the past.

President François Mitterrand of France declared Wednesday that "all precautions must be taken for the protection of Iraqi populations before any final retreat by allied troops" from northern Iraq, according to Jack Lang, the French government spokesman.

Danielle Mitterrand, the president's wife, is a fervent supporter of the Kurdish cause, and French officials say her strong views on the risk of further reprisals against the Kurds have profoundly influenced the French head of state.

Roland Dumas of France and other foreign ministers from European Community states were expected to press their American counterpart, James A. Baker 3d, for an early U.S. commitment to participate in the residual multinational force. The ministers were meeting in Berlin on Wednesday and Thursday at the Conference on Security and Cooperation in Europe.

France and Britain, with backing from Italy and the Netherlands, are seeking to convince the United States that any precipitous withdrawal of allied forces would provoke another refugee crisis.

After EC foreign ministers discussed the issue at a meeting in Luxembourg early this week, the British foreign secretary, Douglas Hurd, said, "We don't want the operation to end in a way that created the problem in the first place."

General Colin L. Powell, the chairman of the U.S. Joint Chiefs of Staff, toured allied enclaves in northern Iraq in late May and promised that U.S. forces would return home "sooner than expected." Since then, the European allies have accelerated efforts to sustain some kind of multinational presence in the region that would include U.S. troops to calm the anxieties of the Kurdish population.

Allied officials said the Kurds had been encouraged to conclude an agreement as soon as possible with the Baghdad government prescribing the terms for an autonomous Kurdish homeland. But following early reports of progress, the last negotiating rounds have been deadlocked over Mr. Hussein's refusal to share the oil resources near Kirkuk and to offer sufficient guarantees of democratic changes.

A special congress of the leading Kurdish political groups is supposed to take place in the next few days to discuss the autonomy pact and reach a consensus on any compromise with Baghdad.

French and British officials said the allies hoped that agreement on the plans to establish a multinational brigade might provide additional pressure on Mr. Hussein's regime to conclude an agreement that would satisfy the Kurdish resistance leaders and relieve the apprehensions of their people.

In addition to the crisis brigade, allied officials said they intended to maintain a military liaison group in southern Turkey that would continue the procedure of regular contacts between the allies and the Iraqi military leadership in the area.

The resignation of Turkey's prime minister has temporarily left the country without a government, but President Turgut Ozal is thought to be favorably inclined toward the plan because he is worried about the domestic political risks of another Kurdish refugee flight.

Allied forces inside northern Iraq, which reached their peak of about 12,000 forces in early June, have been steadily pulling back over the past week. Officials said about 3,600 U.S. troops remained there, along with 2,000 British and 1,500 French forces.

Reuters

GOOD-BYE KISS — General Viktor Shilov, right, of the Soviet Union, kissing his Hungarian counterpart, General Antal Annus, before he crossed a border bridge and returned to Soviet soil on Wednesday. General Shilov was the last of 100,000 Soviet Army troops and their families to withdraw from Hungary, ending a 47-year military occupation of Moscow's former Warsaw Pact ally.

Presummit Meeting for G-7 Ministers

Compiled by Our Staff From Dispatches

LONDON — Finance ministers and central bank governors of the Group of Seven leading industrial nations have agreed to meet in London on Sunday to prepare for G-7's annual summit meeting in mid-July, the Treasury announced Wednesday.

No agenda was announced for the meeting Sunday. "It is just a useful opportunity for them to discuss world economic and financial developments," said a Treasury spokesman, speaking on condition of anonymity.

But officials in London, Paris and Washington said that aid to the Soviet Union and what to do about the sharply rising U.S. dollar and its impact on Japanese and European interest rates were likely to take top billing at the meeting. (Page 9)

The meeting comes three weeks before the annual G-7 summit conference July 15 to 17 in London. Immediately after the summit talks, the heads of state will meet with President Mikhail S. Gorbachev of the Soviet Union, who is seeking Western support for his economic program.

The Group of Seven includes the United States, Germany, France, Japan, Italy, Canada and Britain.

In Washington, President George Bush's spokesman said the

See G-7, Page 10

Kuwait Order for Airbus Surprises U.S.

By Barry James
International Herald Tribune

PARIS — When Airbus Industrie announced the sale of up to 24 of its aircraft to Kuwait Airways this week, many people at the Paris Air show were surprised that one of Kuwait's first major equipment orders since the since the Gulf war should have gone to a non-American company.

The United States has been expected to win major orders because of its role in freeing Kuwait from Iraqi occupation — although Britain and France, other members of the allied fighting force, are members of the Airbus consortium.

The Kuwaiti ambassador to Washington said in February that orders for reconstruction and re-equipment would go to the country's allies rather than to the lowest bidder, but he was not more specific than that. The United States seeks a share in Kuwait's reconstruction commensurate with its leading part in the war.

"It surprised us," a spokesman for McDonnell Douglas Corp. said of the Kuwaiti announcement. "It was a disappointment both for Boeing and for McDonnell Douglas."

A Commerce Department spokesman said, however, that Washington was generally pleased with the progress of its trade relations with Kuwait.

Although there were strong political and emotional pressures for placing the order in the United States, industry experts said Kuwait Airways had what were described as hard-nosed commercial reasons for deciding on the European manufacturer, with which it had been in negotiations since before the before the invasion of Kuwait.

"Buying an airplane is not like buying a tube of toothpaste," said an Airbus Industrie spokesman, adding that purchase deals can sometimes take years to come to fruition and involve extremely complex technical and finan-

See PLANES, Page 11

European Security Hits a Soviet Snag

4 Rightists Join In Fierce Attack On Gorbachev

By David Remnick
Washington Post Service

MOSCOW — The heads of the Soviet police, the military and the KGB have joined the prime minister in a fierce conservative challenge to President Mikhail S. Gorbachev.

In a closed session of the Supreme Soviet on Tuesday, the KGB chairman, Vladimir A. Kryuchkov; the defense minister, Marshal Dmitri A. Yazov, and the interior minister, Boris K. Pugo, all supported a plan that would transfer some of Mr. Gorbachev's key policy-making powers as president of the Soviet Union

NEWS ANALYSIS

to Prime Minister Valentin S. Pavlov, an opponent of the free market.

The liberal newspaper Rossiskaya Gazeta reported Wednesday that one of the security chiefs had said in a speech at the closed session that Mr. Gorbachev's "policies of democratization and the policies of the American intelligence services coincide exactly."

In a remark echoed by several liberal deputies and newspapers, a member of the Supreme Soviet, Ella Pamfilova, said, "This is an attempt at a constitutional coup."

Sergei Rybachenko, a deputy from Kiev, said the united front presented by Mr. Pavlov, Mr. Kryuchkov, Marshal Yazov and Mr. Pugo represented "a coordinated campaign to remove the president of the Soviet Union from power."

Under pressure from orthodox Communists last fall, Mr. Gorbachev rejected the radical "500 Days" program, but he has now joined forces with the president of the Russian Republic, Boris N. Yeltsin, and other advocates of change to shape a package that includes a significant transfer of power to the republics and rapid privatization.

But while Mr. Gorbachev himself may now have shifted gears, some of the most powerful institutions of the Soviet state remain unconvinced and would prefer to increase the authority of the conservative prime minister. Although his spokesman asked reporters not to "overdramatize" the situation, Mr. Gorbachev is most likely to face his accusers in the Supreme Soviet on Friday in a dramatic session.

Conservatives in the parliament assert that Mr. Gorbachev is preparing to sell out the Soviet Union at the meeting in London in July of the seven leading industrialized nations by appealing for credits and other forms of assistance. They demanded that the full legislature, the Congress of People's Deputies, gather in July and that Mr. Gorbachev give an accounting of his performance.

"A great power has been reduced to the lowly status of a beggar, standing by others' doors with outstretched hands instead of working on its problems here where they are," said Yevgeni Kogan, one of the leaders of the conservative faction, Soyuz.

Another speaker, Leonid Sukhov, reportedly told the session: "Away with Gorbachev! And away with his clique of liberals!"

Perhaps most important, members of the

See SOVIETS, Page 4

Kremlin Blocks Center Set Up to Prevent Conflict

By Marc Fisher
Washington Post Service

BERLIN — An ambitious attempt to create a new way of preventing violent conflict in Europe stalled Wednesday as the Soviet Union resisted any mechanism that would allow other nations to intercede in what it considers internal disputes.

European and North American foreign ministers ended the first of a two-day session of the Conference on Security and Cooperation in Europe with growing frustration over the organization's cumbersome rules, which require all decisions to be unanimous.

The 34-nation gathering began its work by easily reaching agreement to increase its number to 35. It will admit Albania, the formerly Stalinist country whose government is still in the throes of the early changes that its neighbors went through in 1989. Albania pledged to observe the conference's ideals of democracy, human rights and market economics. With its admission, the conference represents every country in Europe, as well as the United States and Canada.

But diplomats from several countries said Wednesday night that the conference's insistence on consensus was blocking the granting of real power to its Conflict Prevention Center in Vienna. The center, established at the conference's last major session, in Paris in the autumn, has offices and a director, but has not yet been used, despite threats of military action in Yugoslavia and Lithuania this year.

On Wednesday, despite general agreement that the conference should be able to intervene in potentially explosive disputes in member countries, Foreign Minister Alexander A. Bessmertnykh of the Soviet Union opposed proposals that would allow the group to summon members to emergency sessions.

The Soviets want member countries to be able to decide for themselves whether a dispute is internal and so out of the conference's purview. Turkey, too, objects to plans to give the conference the right to summon members to emergency meetings, worrying that Greece might use the mechanism to raise the Turkish-Greek dispute over Cyprus.

The conference, created in 1975 to press for human rights and bring the East bloc into closer contact with the West, is one of several international groups competing to serve as a guarantor of security in Europe. It is not only the largest of those organizations, but also the most accessible to formerly Communist countries, most of which have thus far been frustrated in their desire to join the North Atlantic Treaty Organization and the European Community.

Chancellor Helmut Kohl of Germany opened the session Wednesday by calling on the member countries to "embrace all countries on this continent" by creating the "pan-European security architecture" that leaders of the 34 nations set as a goal in November. Quoting the philosopher Immanuel Kant, Mr. Kohl said European countries should form a "multinational state" that "would ultimately encompass all nations of the world."

He called the Conflict Prevention Center in

See EUROPE, Page 4

Of Gorbachev, Yeltsin Says: 'I Don't Like Him'

Compiled by Our Staff From Dispatches

WASHINGTON — Boris N. Yeltsin, on his first visit to the United States since being elected president of the Russian Republic, says he does not like President Mikhail S. Gorbachev much because the Kremlin leader is inconsistent and bends under pressure.

"To a large extent, I don't like him," Mr. Yeltsin said during an interview with Ted Koppel on ABC-TV's program "Nightline."

"He's inconsistent. He has strength for a period of time and then, under pressure from other forces, he may change his decision. That isn't a good thing."

Mr. Yeltsin, speaking through an interpreter, criticized Mr. Gorbachev for what he called the Soviet leader's "half-hearted decisions, changing his position," adding: "He goes first to the right, then to the left. These perhaps are the main qualities that I don't like about him."

Recently, however, after being warned that continued military pressure in the Baltics and a retreat from economic and political changes would lead to demands that he resign, Mr. Gorbachev realigned himself, Mr. Yeltsin said.

The Russian leader began a series of talks with members of Congress on Wednesday and found early agreement on the issue of U.S. relations with the Russian Republic.

He was welcomed to the Senate by the Democratic leader, George J. Mitchell of Maine, and the Republican leader, Robert J. Dole of Kansas.

Mr. Yeltsin's primary message on the first day of his four-day unofficial visit to the United States was to declare Russia open for business.

As leader of the largest of the Soviet Union's 15 republics, Mr. Yeltsin said, he had not come to Washington to beg.

"We have not come here hat in hand," he declared. Instead, he emphasized, he had come to "assure you we are working for a better future, one which we shall build with our own hands."

The outspoken leader, who quit the Communist Party last year, told his congressional audience that "we shall travel your road" toward a market economy and a free- enterprise system.

"We believe that we have left behind the experiment that we had to go through, the one that was called Marxism," he said.

Mr. Yeltsin said the Russian Parliament would adopt legislation this month to open the republic to foreign investment.

"It will create a beneficial regime for all investors from all over the world to come and

See YELTSIN, Page 4

Roberto Pfeil/The Associated Press

Among the foreign ministers at the meeting in Berlin: Front row, from left: Gerard Collins, João de Deus Pinheiro, George Iacovou, Hans-Dietrich Genscher. Back row, from left: Gianni De Michelis, Hans Brunhart, Hans Van den Broek and Uffe Ellemann-Jensen.

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Colombia to Bar Drug Extraditions

BOGOTA (NYT) — The Constituent Assembly that is rewriting Colombia's constitution voted overwhelmingly on Wednesday to abolish the extradition of Colombian drug-trafficking suspects and other criminals to face charges overseas.

The new constitution will take effect on July 5. A total of 51 of the assembly's 74 delegates cast their votes against extradition, with only 13 voting to maintain the policy and the rest abstaining.

General News

Thatcher and Heath lashed out at each other over European unity, wounding Major. Page 2.

Starvation again tracks Africans. The UN warned that 30 million are threatened. Page 3.

Crossword Page 3.

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Cosmetic Surgery in China: A Look West, Straight in the Eyes

By Nicholas D. Kristof
New York Times Service

SHANGHAI — After developing a taste for Coca-Cola, rock music, blue jeans, break dancing and eyebrow liner, some Chinese appear to be taking their enthusiasm for the Western look one step further: They are undergoing surgery to achieve rounder eyes and bigger noses.

Some dispute that the aim of such surgery is a more Western look, but in any case cosmetic surgery is booming in Chinese cities.

By far the most common operation is the excision of part of the upper eyelid, to create a larger, rounder eye. The second most common operation is the insertion of a silicon strip to make the nose higher and bigger. Stomach tucks and breast augmentations are also occurring more often.

There is disagreement about what this means, but many Chinese say the increasing frequency of such surgery reflects a changing standard of beauty in China, particularly for women.

More fundamentally, some believe, it reflects the steady spread of Western values to so basic a dimension of life as esthetics and love.

"Many young people have very Western minds, and think that the Western look is very beautiful," a Shanghai beautician said. "So a lot of young men and women perm their hair and do other things to look more Western."

Of course, standards of beauty in China and in all countries have changed with the times. In the Tang Dynasty, from the 7th to the 10th centuries, plump women were regarded as attractive. By the 11th century it was fashionable to be slender.

Early in this century, a woman could not be deemed fabulously beautiful unless she had tiny feet. The foot fetish, along with the custom of crippling women's feet by binding them, disappeared more than half a century ago, and since then a Chinese woman's beauty has been determined overwhelmingly by the attractiveness of her face.

"Before, we used to think only of the face," said a 29-year-old woman reclining in her bed at the 9th People's Hospital in Shanghai. "For women now, the figure is just as important as the face."

The woman is testimony to that trend: She is recovering from breast augmentation surgery. In the 1970s and before, buxom Chinese women were embarrassed by their figures and tried to conceal them. These days some women are embarrassed that they do not have enough curves.

The changing concept of beauty is particularly noticeable in major Chinese cities, especially Shanghai, which has always prided itself on its sophistication and links with the West.

Each day in Shanghai, as many as 100 women undergo surgery to make their eyes larger. About 50 people, mostly women, have their noses enlarged. And smaller numbers have their chins expanded, their stomachs tucked or their breasts enlarged.

In a city of 13 million, these numbers are still tiny, but they are growing rapidly and they reflect a

See EYES, Page 4

Shamir Doubtful On Peace

He Says Gulf War Changed Nothing

Reuters

JERUSALEM — Prime Minister Yitzhak Shamir gave a bleak estimate of Middle East peace prospects on Wednesday, condemning Arab positions and saying that the Gulf war had not changed regional problems.

Mr. Shamir's speech followed signs of an impending clash with Washington over his rejection of U.S. requests to curtail Jewish settlement in the occupied West Bank and the Gaza Strip.

"Despite the destruction of Iraq's offensive power in Desert Storm," said Mr. Shamir, referring to the allied war effort, "the basic problems of the region remain unchanged."

"The widespread tendency of Arab regimes to rely on war, terror and violence to achieve political goals has not changed," he said. "There is no movement in the approach of Arab states toward Israel, and they are still in a state of war with us."

Mr. Shamir, addressing the Zionist General Council, emphasized his rejection of any United Nations role in peace talks and of a peace conference empowered in any way, saying that only direct state-to-state talks would provide peace agreements.

President George Bush, seeking a compromise that would allow talks to begin, had suggested a United Nations observer role and a conference that could reconvene, with Israeli agreement, after six months to hear progress reports.

Mr. Shamir turned down the Bush proposal earlier this month; Syria, an important player if talks begin, has yet to respond. Syria has sought a strong UN role.

"The fact that Arab states stubbornly demand an international conference and the active involvement of the UN raises doubts as to the willingness of Arab states to come to terms with us," Mr. Shamir said at the Zionist meeting.

The Israeli leader, who said Tuesday that he hoped to avoid a confrontation with Washington over Jewish settlements, played down the differences that threaten to block Israeli requests for $10 billion in U.S. loan guarantees to help Soviet Jewish immigrants.

■ Arabs to Be Freed

Defense Minister Moshe Arens said Wednesday that some 400 Palestinians would be freed from Israeli prisons within the next few days, Reuters reported from Paris.

"There is a Muslim holiday coming up, and we will release about 400 Palestinians," he said on French television, without elaborating. A Muslim holiday begins on Saturday.

German Capital: Bonn's Partisans Think They're Favorites

By Richard E. Smith
International Herald Tribune

FRANKFURT — Supporters of Bonn as the capital of a united Germany voiced growing confidence on Wednesday as legislators prepared to decide Thursday whether Bonn or Berlin will be the capital.

But so many compromise plans are being proposed and so many last-minute negotiations are taking place that the outcome or even the agenda of the voting remained unclear.

The issue has become one of the major unsolved issues after reunification. Early promises to move the capital to Berlin and statements of support by Chancellor Helmut Kohl and Foreign Minister Hans-Dietrich Genscher had led many East Germans in particular to hope that placement of the capital again in Berlin would symbolically seal reunification and help the area's struggling economy.

Proponents of Bonn say that the city has functioned well as the capital throughout West Germany's postwar history and has become a symbol for that period's stability.

The Suddeutsche Zeitung reported Wednesday that supporters of Bonn are counting on a "clear" majority in the Bundestag vote, while Frankfurter Allgemeine Zeitung reported that the Bonn proponents were confident of victory.

Eberhard Diepgen, the mayor of Berlin, appeared in Bonn on Wednesday to make a final appeal for his city and spoke out against a "campaign of fear" by Bonn supporters who were predicting the economic decline of the area.

He said that only several thousand jobs were at stake in the Bonn area whereas hundreds of thousands of jobs in the reviving economy of Eastern Germany would be affected by the choice.

Several compromise proposals have emerged that would move part of the government to Berlin and delay the choice of a total move to some point in the future.

One of the leading proposals of this type envisages moving the Bundestag to Berlin and leaving most of the rest of the government in Bonn for the time being.

Potsdam and Its Ghosts, Prussian and Communist

By John Tagliabue
New York Times Service

POTSDAM, Germany — It is sometimes hard to recognize the ghosts of past glory among the concrete tenements and palaces of Potsdam.

On the site of the old Hohenzollern city palace stands the unfinished reinforced-concrete torso of a theater. And, where once the historic Garnisonkirche soared, a glass-and-aluminum computer center sits.

But with communism gone, Potsdam is feeling pretty chipper about itself.

To be sure, the city of 138,000 lives hand to mouth on funds from Bonn, and about 20,000 Soviet soldiers still occupy choice sites in barracks and villas.

Nevertheless, Potsdam is the capital of Brandenburg State. Its Sans Souci, seat of kaisers, is a major tourist attraction, and the old UFA film studios, where Fritz Lang and Marlene Dietrich got their start, are reviving with television work.

But the real reason for Potsdam's optimism is Berlin. If the seat of the united Germany's government returns there, Potsdam, snuggled up to the old German capital, will resume its role as the antechamber of power.

In March, the Social Democratic-led city government voted to demolish the unfinished theater, despite the $17 million that had been poured into it.

In April, thousands gathered near the site of the Garnisonkirche for the unveiling of a carillon, a replica of one that for centuries rang out from its curved tower until it was destroyed in the wartime bombing.

In August the bones of Frederick the Great, the grand builder of the ornate rococo palace at Sans Souci, are to be returned there in triumphal pomp from the Hohenzollern ancestral castle in Hechingen, in southern Germany.

Frederick was buried contrary his wishes in the crypt of the Garnisonkirche at his death in 1786. His remains were later taken to the south. They will be reburied at Sans Souci in a stately ceremony that Chancellor Helmut Kohl is to attend on a terrace next to the graves of Frederick's legendary and beloved greyhounds.

But in a city where history is as deeply engraved into the facades of the palaces as their decorative helmets and crossed swords, ambiguities about the Prussian spirit die hard.

"We view all of these developments with a certain skepticism," Peter von Feldmann, the city's planning director, said. "We still have to learn to live with all of this."

Kaiser Wilhelm II, a Hohenzollern, unleashed World War I from Potsdam, and in March 1933, his former chief of staff, Paul von Hindenburg, president of the Weimar Republic, met with Hitler at the Garnisonkirche to seal the marriage of Prussia's past with the terrible Nazi spirit.

After the 1970s, East Germany's Communist leadership rehabilitated the Prussian virtues of duty and orderliness. Biographies of Frederick the Great, long taboo, were printed, and his statue was reinstated along East Berlin's Unter den Linden.

But an earlier generation of Communists had declared war on the Prussian legacy. In 1961, the remains of the city palace, damaged in the war, were bulldozed. Seven years later, the Garnisonkirche was demolished.

In the end, some in Potsdam believe, the city can only exorcise the ghosts of its past, not by eliminating their traces but by facing them squarely.

"If we want to free ourselves of this ghost of militarism," said Wedig Kolster, the director of the city's Institute for Military History, "then it is necessary to counter the phenomenon in this very place."

Mr. Kolster, a philosopher and army officer, favors the presence of the institute in Potsdam, despite objections in liberal western German circles.

"Hardly is Brandenburg reunited with West Germany," the weekly Die Zeit wrote recently, "and German officers feel drawn from the Rhine to the cradle of Prussian militarism."

Yousef Al-Jam/The Associated Press

VIGIL — Relatives of a Palestinian journalist sentenced to death in Kuwait protesting Wednesday outside the Kuwaiti Embassy in Amman, Jordan. The journalist, Ahmad Abed Mustafa, 39, is among 21 people to have been sentenced to death for collaborating with Iraqi occupation forces. A Kuwaiti martial-law court gave seven entertainers jail terms Wednesday for pro-Iraqi propaganda.

Major Hurt By Tories' Big Guns

By Glenn Frankel
Washington Post Service

LONDON — As if he did not have enough political problems already, Prime Minister John Major found himself Wednesday in the middle of a vicious spitting contest between his two predecessors, Margaret Thatcher and Edward Heath, over Britain's role in Europe.

The two former leaders are longtime opponents, but most commentators agreed that the ultimate victim was Mr. Major, who, according to the Daily Mirror "became the first British leader in history to be stabbed in the back by two former prime ministers from his own side."

Mrs. Thatcher opened the debate earlier this week with speeches in Chicago and New York in which she strongly condemned proposals for a single European currency and an eventual federal system. She denounced any United States of Europe as "a curious folly" and "a dangerous illusion."

Mrs. Thatcher insisted that she agreed with Mr. Major on these issues, but her positions were far more critical than his own.

The speeches incensed Mr. Heath, who lashed out Tuesday night in two broadcast interviews with what some observers said was the most vituperative attack ever launched by one former Conservative Party leader against another.

Mr. Heath said that Mrs. Thatcher's speeches had been "full of falsehoods — in ordinary English: lies."

He accused her of having a "minute mind" and said she was "so ignorant" that she could not understand European culture.

Mrs. Thatcher kept silent Wednesday, but some of her supporters rallied quickly to her defense.

John Carlisle, a Conservative member of Parliament, called Mr. Heath "just a nasty, bigoted old man."

He added: "This personal abuse is the last straw. Our patience is now at an end. He has no part to play. He is a disgrace to himself and to the party."

Mr. Heath has held a bitter grudge against Mrs. Thatcher since she defeated him for the party leadership in 1975. Still, his remarks posed a serious problem for Mr. Major, because they raised again the politically sensitive issue of Europe, which he had hoped to put to rest.

They also demonstrated the deep divisions within a ruling party that is behind in the polls and struggling to heal itself before it goes to the voters sometime in the next year.

Mr. Major's government is fighting a two-front campaign over the issue, seeking to contain dissent within the party's anti-European wing at home while staving off demands for federalism from other members of the European Community. At a meeting of EC foreign ministers in Luxembourg earlier this week, Britain sought to eliminate the word "federal" from the preamble being drafted for a charter on future political union.

Critics say the government's message often sounds contradictory. Mr. Major told the House of Commons on Tuesday that he would never agree to "a European superstate."

At the same time, however, he has insisted that Britain wants to be "at the heart of Europe," and in a recent speech he warned, "We must not — cannot — turn our backs on the construction of the new Europe."

An aide to Mr. Major conceded that much of the debate over European federalism was semantic because different countries defined the word in different way. In Britain, he said, federalism is "not a word we will accept."

WORLD BRIEFS

Police and Far Right Protest in Paris

PARIS (AP) — Several thousand municipal policemen and hundreds of supporters of the far-right National Front staged separate demonstrations Wednesday in defiance of police bans.

In each case, the national police had banned the protests because of the possibility of disturbances. There were no reports of trouble. The municipal policemen, who converged by bus from across France, were demanding legislation that would raise their pay and allow them to carry weapons. Protest organizers said 5,000 officers participated, while the national police monitoring the rally put the figure at 1,500 to 2,000.

The National Front rally was organized by the party leader, Jean-Marie Le Pen, to denounce immigration policies, which the far right blames for recent violence in low-income suburbs.

Iraqi Release of a Briton Uncertain

LONDON (AP) — Britain has received no confirmation that Iraq had freed a Briton imprisoned as a spy, as it promised to do, the Foreign Office said Wednesday.

The Iraqi government, responding to an appeal from former Prime Minister Edward Heath to President Saddam Hussein, said it was releasing Douglas Brand, who was arrested last September and sentenced last month to life in prison.

Mr. Brand went to Iraq after its invasion of Kuwait on Aug. 2 to clear land mines under a Baghdad contract. He was expected to be freed in Amman, Jordan, but there was no word there Wednesday about his arrival.

Police Arrest 40 Bhutto Followers

KARACHI, Pakistan (Reuters) — Pakistani police have arrested at least 40 followers of Benazir Bhutto, the opposition leader and former prime minister, in a crackdown after masked gunmen killed a judge trying her husband, police sources said Wednesday.

A spokesman for Bhutto's Pakistan People's Party said more than 50 people had been arrested since Tuesday, when Judge Nabi Sher Junejo, his driver and a police guard were killed in a hail of automatic fire.

Jam Sadiq Ali, the chief minister of Sind Province, said Miss Bhutto's followers were responsible for the attack. But spokesmen for her party denied the charge and demanded an independent inquiry. Those arrested included a former bodyguard of Miss Bhutto, a police source said.

North Korea to Return 11 U.S. Dead

WASHINGTON (AP) — North Korea has agreed to return the remains of 11 more U.S. servicemen and to discuss "in detail" what may have happened to more than 400 Americans believed to have been prisoners of war in 1953 when the Korean War ended, according to Senator Robert C. Smith, Republican of New Hampshire.

Mr. Smith, a member of the Armed Services Committee, said he would lead a delegation to receive the remains this weekend at Panmunjom, in the Demilitarized Zone between the two Koreas.

It will be the second time that North Korea has repatriated American dead since 1954, marking what State Department officials describe as a move for better relations. North Koreans turned over the remains of five servicemen to an American delegation in May 1990.

Toll in Chile Mudslide Reaches 72

ANTOFAGASTA, Chile (Reuters) — Rescue teams dug out four more bodies from under tons of mud and rubble that swept away hillside slums of this Pacific coast city, raising the death toll to 72, officials said on Wednesday.

The mudslide, touched off by a rainstorm in this desert region, smashed through 600 homes before dawn on Tuesday, injuring 750 people and leaving 20,000 homeless. Officials said four of the injured died in hospital overnight.

House's No. 3 Democrat to Resign

WASHINGTON (AP) — Senior Democrats on Wednesday began jockeying for Representative William H. Gray's third-ranking position in the House leadership in advance of Mr. Gray's expected resignation.

The United Negro College Fund scheduled a news conference for Thursday in New York. Mr. Gray, the House majority whip, will become its new president, according to his Democratic colleagues.

Mr. Gray, Democrat of Pennsylvania, continued Wednesday to decline any public statement but met with the House speaker, Thomas S. Foley, Democrat of Washington, and other colleagues to inform them. Mr. Foley will set a date for a succession election, probably before Congress departs for its August recess. Mr. Gray told colleagues that his resignation would be effective in September.

TRAVEL UPDATE

Braniff International Airlines, the successor to Braniff Inc., the bankrupt carrier that suspended operations in November 1989, said Tuesday that it would start service on four routes beginning on July 1. Its introductory fares, effective through July 15 without restrictions, include a $69 one-way coach fare from Long Island to Orlando and Fort Lauderdale, Florida, and a $79 fare between Dallas and Newark and Dallas and Los Angeles. *(AP)*

British Airways said Wednesday that it planned to resume flights to Iran next month. The airline, which stopped flying to Iran in 1985, plans to fly twice-weekly to Tehran from Heathrow from July 21. *(Reuters)*

A heat wave and air pollution that soared above danger level sent more than 150 Athenians to hospitals Wednesday with breathing problems. The Environment Ministry announced that all private cars would be banned from driving in the capital on Thursday. *(AP)*

United Airlines has asked the Department of Transportation for authority to begin offering daily service between Los Angeles and Brazil in January. *(UPI)*

The Weather

Forecast for Friday through Sunday

North America

Boston to Washington, D.C., will be humid Friday with scattered showers and thunderstorms, but the weather will improve during the weekend. By Sunday, there will be sunshine and comfortable humidity with pleasant temperatures.

Europe

The British Isles will have changeable weather Friday into the weekend with spells of rain, sunshine and gusty winds. France to the Low Countries and Germany will have seasonable temperatures and just a few scattered showers.

Asia

Showers with heavy downpours will remain the rule Friday through the weekend from Hong Kong and Taiwan to Tokyo. In Seoul, Beijing and Shanghai, it will be warm and mainly dry. Downpours will drench steamy Southeast Asia from Bangkok to Manila.

Europe

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
	C/F	C/F		C/F	C/F	
Algarve	31/87	18/67	s	29/84	18/64	pc
Amsterdam	17/62	10/50	c	22/72	12/53	pc
Athens	25/77	17/63	pc	28/79	18/65	pc
Barcelona	28/83	18/64	s	27/81	17/62	pc
Belgrade	24/75	13/55	o	25/77	13/55	pc
Berlin	15/59	8/47	sh	18/60	11/52	pc
Brussels	18/64	10/50	c	21/69	13/55	pc
Budapest	16/61	10/50	sh	18/65	11/52	pc
Copenhagen	18/64	11/51	sh	17/62	12/53	r
Costa Del Sol	34/93	17/62	s	33/91	17/62	s
Dublin	19/67	11/52	c	18/65	10/50	sh
Edinburgh	17/63	11/52	pc	18/65	12/53	sh
Florence	30/86	11/52	c	22/72	12/53	pc
Frankfurt	16/61	9/48	sh	21/70	12/53	pc
Geneva	16/61	9/48	pc	20/68	11/51	pc
Helsinki	19/66	11/52	pc	20/68	13/55	sh
Las Palmas	25/77	19/67	pc	26/78	17/63	pc
Leningrad	20/68	10/50	s	21/70	13/55	pc
Lisbon	29/86	19/67	s	28/82	18/64	pc
London	19/67	10/50	pc	22/71	11/52	pc
Madrid	29/85	11/52	s	31/87	13/55	s
Milan	18/66	9/48	c	21/70	12/53	pc
Moscow	28/83	18/64	pc	28/85	17/62	r
Munich	16/61	9/48	pc	19/67	13/55	o
Nice	23/73	11/52	s	21/70	13/55	pc
Oslo	17/63	9/48	sh	17/63	10/50	sh
Paris	19/67	9/48	c	23/73	11/52	pc
Prague	15/59	9/48	pc	16/61	10/50	pc
Reykjavik	14/57	11/51	pc	15/59	11/52	pc
Rome	22/72	14/57	pc	24/75	15/59	s
Stockholm	17/62	10/50	pc	14/57	9/48	sh
Strasbourg	18/65	10/50	pc	18/68	13/55	pc
Venice	20/68	12/54	c	23/68	12/54	pc
Vienna	16/61	9/48	pc	21/70	11/51	s
Warsaw	18/61	7/44	sh	18/65	9/48	s
Zurich	16/61	8/46	pc	20/68	10/50	pc

Middle East

Ankara	24/75	11/51	pc	21/70	9/48	t
Beirut	29/84	18/64	pc	30/86	19/66	pc
Cairo	33/91	20/68	s	33/91	19/66	s
Damascus	29/84	16/60	s	31/87	19/65	s
Istanbul	24/75	13/55	t	22/72	12/53	sh
Jerusalem	30/86	16/60	s	29/84	16/60	s
Riyadh	42/108	27/81	s	44/112	29/84	s

Oceania

Auckland	17/62	14/57	pc	17/62	13/56	pc
Sydney	21/69	10/50	c	21/69	11/51	pc

Asia

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
	C/F	C/F		C/F	C/F	
Bangkok	30/86	25/77	pc	32/90	26/79	pc
Beijing	24/76	17/62	pc	25/77	17/63	pc
Hong Kong	33/91	23/74	t	31/88	24/75	pc
Manila	35/95	25/77	pc	36/96	26/78	pc
New Delhi	38/100	26/79	pc	38/101	26/79	pc
Seoul	23/71	17/62	c	22/72	17/63	pc
Shanghai	28/82	18/65	pc	27/80	19/66	pc
Singapore	32/90	24/76	pc	32/90	25/77	pc
Taipei	33/92	23/74	pc	32/90	24/75	pc
Tokyo	28/82	18/64	pc	30/86	19/66	pc

Africa

Algiers	33/74	17/63	pc	24/75	17/63	pc
Cape Town	18/60	8/46	s	17/62	7/44	sh
Casablanca	33/92	17/63	pc	33/92	17/63	pc
Harare	24/75	19/67	pc	25/77	19/66	pc
Lagos	30/86	25/77	pc	30/86	26/79	pc
Nairobi	22/72	14/58	pc	22/72	15/59	pc
Tunis	29/85	18/64	pc	30/86	18/64	pc

Latin America

Buenos Aires	18/64	8/46	pc	17/62	7/44	pc
Caracas	29/84	24/76	pc	29/84	24/76	pc
Lima	21/70	18/60	pc	22/71	19/61	pc
Mexico City	26/78	14/58	t	28/82	15/59	t
Rio de Janeiro	27/80	19/67	pc	26/78	19/65	pc

North America

Anchorage	17/63	8/48	pc	12/54	7/44	sh
Atlanta	31/87	21/69	t	31/88	23/73	t
Boston	29/85	20/68	pc	31/88	23/74	t
Chicago	32/90	18/65	pc	31/88	19/67	pc
Denver	32/90	16/60	s	31/88	14/58	t
Detroit	31/88	18/65	pc	30/86	17/63	pc
Honolulu	29/85	22/72	pc	29/84	23/74	pc
Houston	32/90	22/72	t	33/91	23/74	pc
Los Angeles	23/73	14/58	pc	25/77	15/59	pc
Miami	32/90	25/78	pc	32/90	26/79	pc
Minneapolis	30/86	19/66	pc	32/90	20/68	pc
Montreal	29/84	14/57	pc	27/80	13/55	pc
Nassau	33/92	23/73	pc	33/91	23/74	pc
New York	30/86	21/70	pc	32/90	23/73	pc
Phoenix	41/105	24/75	s	41/105	25/77	s
San Fran.	18/64	11/52	pc	19/66	11/52	pc
Seattle	21/69	12/53	c	21/69	13/54	pc
Toronto	29/84	17/63	pc	29/82	17/63	pc
Washington	31/88	21/70	t	33/92	21/70	t

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, s-snow, i-ice.
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U.S. Checks L'Oréal Official

Corrèze Ban Sought for Pro-Nazi Activities During War

By Steven Greenhouse
New York Times Service

PARIS — The United States Justice Department has opened an investigation to determine whether the chairman of the $1 billion American affiliate of L'Oréal, the French cosmetics company, should be barred from the country for pro-Nazi activities in World War II.

The department's Office of Special Investigations is investigating whether the chairman, Jacques Corrèze, a 79-year-old Frenchman, should be barred because of activities in several groups that carried out anti-Semitic attacks.

Mr. Corrèze spent almost five years in French prison after the war for activities as a leader in several collaborationist organizations, including an underground group known as the Cagoule that carried out assassinations, bombings and raids on synagogues and Jewish-owned shops.

Mr. Corrèze, who was instrumental in building L'Oréal's activities in the United States, now serves as chairman of the board of Cosmair, a New York-based company that is responsible for selling L'Oréal goods in the United States.

L'Oréal officials say that Mr. Corrèze's position as head of Cosmair is largely ceremonial and that he has no operational responsibilities.

After two Paris newspapers, *Le Monde* and *Libération*, published articles in recent weeks about Mr. Corrèze's past, leaders of Jewish organizations in the United States and France turned over documents to the Justice Department so it could determine whether he should be placed on the watch list.

That list excludes foreigners who are believed to have participated in religious or racial persecution.

"We have received documents, and we are looking into the matter," Neal M. Sher, director of the Office of Special Investigations, said in a telephone interview.

Austria's president, Kurt Waldheim, was barred from the United States after being placed on the watch list.

Among his many activities, Mr. Corrèze served as the right-hand man for the founder of the Cagoule, which assassinated several anti-Nazi figures and often ousted Jews from their shops and homes.

After that group was suppressed, he was a leading member of the Mouvement Social Révolutionnaire, a prominent pro-Nazi group that worked with the Gestapo and fomented anti-Jewish activities.

Later, he was a top aide in the Légion des Volontaires Français, which was a French regiment that served in the German Army.

A spokesman for Mr. Corrèze said he was too ill with cancer of the pancreas to be interviewed. The spokesman said Mr. Corrèze, who is being treated in France, was so ill that he would probably never return to the United States.

In response to questions from The New York Times, Mr. Corrèze issued a statement in which he denied participating in any assassinations or attacks.

"There exists no one," he said, "among those hunted during the Occupation, Jewish or not, who can complain of having suffered, in his person or his goods, from my activity."

Serge Klarsfeld, a Nazi hunter in France, has provided documents to the Justice Department that cite Mr. Corrèze's role in raids on Jewish homes in Paris.

One Justice Department official said the documents were "very powerful."

Mr. Corrèze joined L'Oréal in 1950, shortly after leaving prison. He had been sentenced to two concurrent 10-year terms for making explosives, storing arms, attacks against the government, and incitement to civil war.

François Dalle, L'Oréal's former chairman, said in a written statement that he knew about Mr. Corrèze's past when he hired him, adding that his sentence was "not among the most serious" meted out to collaborators.

Mr. Dalle, who was awarded medals for his work in the Resistance, said, "As a participant in the Resistance, I thought it was important to demonstrate tolerance at a time of reconciliation in France."

Mr. Corrèze went to the United States in 1954, and was successful in building Cosmair as L'Oréal's American export arm. He ran the American operations until the late 1960s, when he became chairman of Cosmair's board. In his statement, Mr. Corrèze said he had not participated in political activities since March 1942.

A L'Oréal spokesman said Mr. Corrèze's post was a nonoperational one, in which he serves as a liaison between Cosmair's shareholders and Cosmair's chief executive.

In 1959, Mr. Corrèze received an individual amnesty, which was extended only to people who did not knowingly expose someone or try to expose someone to torture, deportation or death. In 1966, he was officially rehabilitated by the French government.

Now, Mengele's Death Is Doubted

The Associated Press

JERUSALEM — Josef Mengele, the Nazi doctor at Auschwitz, may still be alive despite claims that he drowned in Brazil in 1979, an unpublished Israeli police report says.

The report points to discrepancies in the medical findings that led American, German and Brazilian forensic experts to conclude jointly that the skeleton exhumed from a Brazilian cemetery was "within a reasonable scientific certainty" that of Mengele.

The 60-page report questioned several forensic findings from the bones at Embu cemetery. It said the skull was too small, one leg was shorter than the other, and the remains contained no trace of Mengele's boyhood bone disease.

The report was submitted to the Israeli Justice and Police ministries in 1986, but was never published. An English version of the report was distributed this week to journalists by Candles, Children of Auschwitz Nazi Deadly Lab Experiment Survivors, which campaigns to continue the hunt for Mengele.

Jean Arthur, Movie Actress, Dies

The Associated Press

CARMEL, California — Jean Arthur, the actress who brought her witty intelligence to such films as "Mr. Smith Goes to Washington," died Wednesday at a convalescent home.

She died of heart failure. A spokesman gave her age as 90; some references put it at 82 or 85.

In "Mr. Smith Goes to Washington," Frank Capra's 1939 classic, Miss Arthur played the savvy political aide who befriends and eventually falls in love with the naive, newly appointed senator, played by Jimmy Stewart.

In the 1936 "Mr. Deeds Goes to Town," also directed by Mr. Capra, Miss Arthur played a star reporter who first exploits, then falls for the character played by Gary Cooper, who is accused of being insane because he wants to give away his money.

She also appeared in "The Whole Town's Talking," 1935; "The Devil and Miss Jones," 1941; "Only Angles Have Wings," 1939; and the classic Western "Shane," 1953.

Pierre Jamet, Harp Soloist And Music Teacher Was 98

Agence France-Presse

CHATEAUROUX, France — Pierre Jamet, 98, considered one of the best harp teachers in the world, died Monday in nearby Gargilesse, in central France.

Mr. Jamet was professor of music at the National Conservatory of Music in Paris from 1948 until 1963. He was harp soloist with the Opéra de Paris from 1936 until 1959, and from 1964 on taught the harp. He was still giving lessons last year.

His home in Gargilesse was for some three decades a mecca for virtuoso harpists from around the world who came to pay tribute and study under the master.

■ *Other deaths:*

William D. Ogden, 89, a member of the editorial board of The New York Times from 1946 to 1966, Saturday in Tarrytown, New York, of a heart attack.

Joan Caulfield, 69, a star of such movies as "Blue Skies," "Monsieur Beaucaire" and "Dear Ruth," Tuesday of cancer in Los Angeles.

Dario Padilla Sr., 81, who portrayed General Antonio López de Santa Anna in John Wayne's 1959 movie "The Alamo," on Sunday of cancer in San Diego.

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Again, Starvation Tracks Africans

After Wars and Drought, Famine Threatens 30 Million, UN Warns

By William Booth
Washington Post Service

WASHINGTON — Africa is starving again, according to a United Nations research organization, which says the continent appears to be heading for a famine as bad as the mass starvation of the mid-1980s.

The UN organization says the imminent famine is largely a result of civil wars, which have only worsened conditions brought about by a long-running drought.

The UN Food and Agriculture Organization reported Tuesday that 30 million Africans were in danger of severe malnutrition and starvation.

Food and Agriculture Organization experts compare the situation to conditions in 1984 and 1985, when images of starving Africans sparked an outpouring of charity in the United States and elsewhere, including "Live Aid" concerts and the record "We Are the World."

During that famine, some 2 million to 3 million people died, most of them children and the elderly.

The director-general of the Food and Agriculture Organization, Edouard Saouma, said, "Unless there is a massive acceleration of the flow of food aid to the affected populations, we are going to see widespread deaths from starvation between now and the next harvest at the end of the year."

The crisis is most acute in Ethiopia, Sudan, Mozambique, Somalia, Liberia and Angola. All have been fighting civil wars.

"It is no coincidence that the six countries in the worst shape are all experiencing great unrest," said Peter Newhouse, chief of the UN Global Information and Early Warning Systems in Rome.

Mr. Newhouse said that although drought was a natural condition in many African countries, it was war that upset food distribution and led to mass starvation.

The Food and Agriculture Organization report says civil strife in Africa has created 3.5 million refugees and an additional 5 million people displaced within their own countries. It concludes that "civil strife has hampered the distribution of the little food on hand."

Food and Agriculture Organization officials said they feared Africa could become a "forgotten continent." Total commitments for food aid in 1991 are no greater than in 1990.

The organization estimates that 5.7 million tons of grain are needed, though only 3.4 million tons have been pledged and only half of that delivered.

"The problem is that drought countries are competing among themselves," Mr. Newhouse said. "And they are competing with the Kurds, the Bangladeshis, the Soviets, the Eastern Europeans. The pot is the same size but the demands are greater."

Mr. Saouma said, "The international community is becoming aid weary."

But Mike Harvey of the U.S. Agency for International Development said: "We hear this all the time. We don't believe it, but it is getting harder all the time."

Mr. Harvey said the United States was not "aid weary" and had always sent food and grain, donating about a third of what is needed, which is matched by a third from Europe and a third from the rest of the world, including Japan, Canada and Australia.

Mr. Harvey said, however, that the constant emergencies in Africa had sapped other long-term assistance programs of cash.

4 U.S. Service Chiefs Differ on Combat Roles for Women

By Eric Schmitt
New York Times Service

WASHINGTON — In what is rapidly emerging as one of the Pentagon's most anguished debates in years, the military's four service chiefs have offered opposing views on expanding combat roles for women.

General Carl E. Vuono of the U.S. Army and General Alfred M. Gray Jr. of the Marine Corps told a Senate panel on Tuesday that they opposed repealing a ban on female soldiers' serving in combat with infantry, armor and other ground-combat units.

Admiral Frank B. Kelso Jr. of the U.S. Navy and General Merrill A. McPeak of the Air Force said that although personally torn, they would support broadened roles for women if existing law was changed to permit that.

"Personally, I am not eager to increase exposure of our women to additional risk," said General McPeak, the air force chief of staff. "However, the air force does not believe in artificially barring anybody from doing any job."

The role of women in combat has become a hot political issue since the Gulf war, where by all accounts, some 35,000 female troops performed superbly as nurses, truck drivers, cargo plane pilots and in other support jobs.

Women now account for about 11 percent of the 2 million members on active duty in the U.S. military, up from about 2 percent in 1973.

Opportunities for women in the armed forces increased in the 1970s, beginning with the creation of the all-volunteer military in 1973 and the admittance of women to the service academies in 1976. Since then, the services have opened more positions to women.

The hearing before the Senate Armed Services Subcommittee on Manpower and Personnel was called to help senators decide whether to follow the House of Representatives in modifying current law on the issue.

Acknowledging the important roles women played in the allied victory over Iraq, the House last month voted to repeal bans against women flying navy, air force and Marine warplanes in combat. The army is not covered by the same statutes, but has its own policies barring women from combat.

The Senate, in the next several months, is expected to consider whether to endorse a similar measure for female aviators or go even further by authorizing women in other combat situations as well.

Defense Secretary Dick Cheney has voiced support for the House legislation, largely because it permits — but does not require — the military to integrate women into combat roles.

The assistant secretary of defense for force management and personnel, Christopher Jehn, told the Senate panel that the Pentagon supported giving women more opportunities, but that the military wanted "maximum flexibility in regulating women in combat."

The central question, said Mr. Jehn, is whether granting women more opportunities may weaken overall military readiness and combat skill.

"If women can do a job without adversely affecting combat effectiveness and readiness, we'd use them," Mr. Jehn said. "What I can't tell you today is what new jobs they'd qualify for that are presently closed to them."

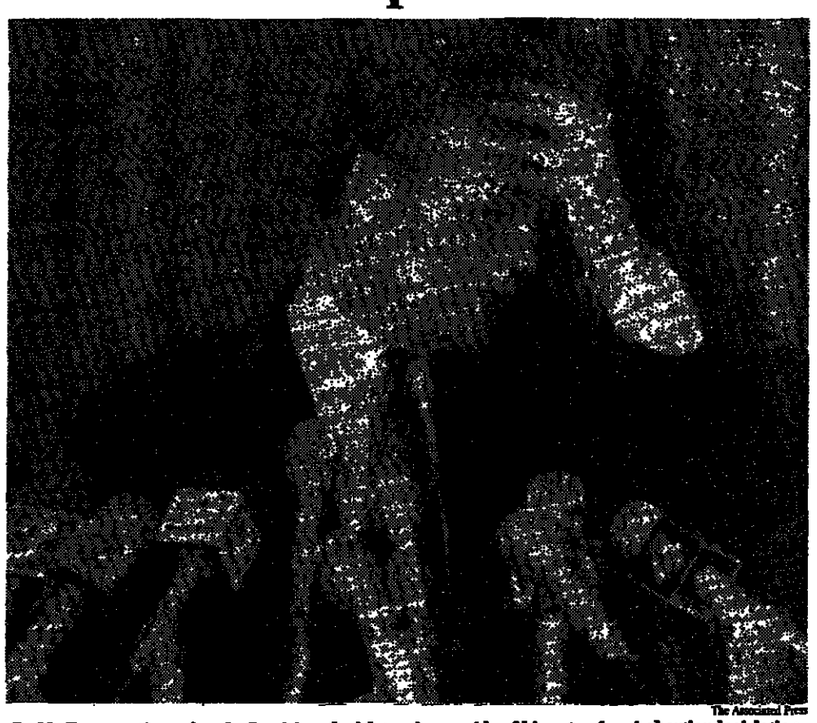
The line between combat and support jobs is sometimes artificial. Female pilots flying Blackhawk transport helicopters ferried troops through combat zones during the Gulf war, but were not permitted to fly Apache gunships, which typically attacked Iraqi targets from 8 to 10 kilometers (5 to 6 miles) away.

"In view of their distinguished service, blanket denial of combat roles to women strikes many people as outdated and unfair" said Senator John S. McCain 3d, Republican of Arizona.

Many army and Marine commanders have asserted that women do not have enough physical strength to perform tasks required of ground-combat soldiers, and that fraternization with male soldiers would undercut the performance of the entire unit.

"We don't find that our women wanted a change," said General Gray, the Marine Corps chief of staff. "They seem to be satisfied with what they do. They like the assignments."

Louisiana Vote Opens Drive for Abortion Curbs



The Associated Press
Buddy Roemer discussing the Louisiana legislature's override of his veto of anti-abortion legislation.

By Maralee Schwartz
Washington Post Service

Louisiana legislators have overriden the veto by Governor Charles E. Roemer 3d of the most restrictive state anti-abortion legislation in the United States, providing another potential challenge to 1973 Supreme Court decision, Roe v. Wade, that legalized abortion.

By a vote of 29 to 9, three more than the two-thirds majority required, the state Senate overrode the Republican governor's veto of the measure. The Louisiana House voted to override by a six-vote margin several hours later. It was the first time the state legislature had overridden a veto in this century.

The law bans abortions except to save a woman's life, or in cases of rape or incest permits them in the first 13 weeks of pregnancy. To qualify, a rape victim must report the incident within five days to her doctor and within a week to police. Doctors who perform illegal abortions face up to 10 years at hard labor and fines of $10,000 to $100,000. Women who have abortions are exempted from prosecution.

Once the Louisiana law is challenged, as abortion-rights advocates have vowed to do, it will join three other anti-abortion laws specifically designed as vehicles to challenge Governor Roe. These are among those vehicles:

- A Utah law, enacted earlier this year, that includes the exceptions in the Louisiana law, but also allows abortions to protect a woman's health and in cases of grave fetal deformities. Doctors who perform illegal abortions face five years in prison and a $5,000 fine.
- A ban last year in Guam that permits abortion only protect a woman's life and health.
- A Pennsylvania law enacted in 1989 that bans abortions after 24 weeks and requires spousal consent and a 24 hour-waiting period, among other restrictions.

Also Tuesday, an Alabama state Senate committee approved a bill banning most abortions. The measure has passed the House.

Bush Termed 'Angry' Over Sununu Car Trip, But He Defends Aide

By Ann Devroy
Washington Post Service

WASHINGTON — President George Bush has been described as "upset, angry and perplexed" about use of a government limousine by John H. Sununu, the White House chief of staff, who, meanwhile, left his latest controversy behind and flew to Iowa aboard a corporate plane to a Republican Party fund-raising event.

Sources said an angry Mr. Bush contacted a senior political adviser on Sunday to discuss how to handle the affair after learning of Mr. Sununu's decision to have a government car and driver take him to New York last week.

Mr. Sununu attended a rare-stamp auction and conducted other personal business but no official duties there, officials said.

[Mr. Bush on Wednesday defended the travel arrangements by Mr. Sununu and said he had no plans to remove him, Reuters reported from Washington. "I've looked into this matter and, given the circumstances, I think it was appropriate," the president said when asked about Mr. Sununu's use of a limousine to go to New York.

[Mr. Bush denied news reports that he was angered and upset by Mr. Sununu's behavior. He said that there were "a lot of important negotiations" going on at the time of the trip and that it was important for the chief of staff to be in touch with the White House. Asked if he planned to replace the former New Hampshire governor, Mr. Bush replied, "No."]

Mr. Sununu defended himself Sunday during an appearance on television. It was his first time on a network since revelations in April about his use of government aircraft for trips ranging from going to his dentist to skiing vacations and visits to New Hampshire, his home state.

On Sunday, Mr. Sununu gave the same explanation for using the government vehicle that he had offered for frequent use of aircraft — that he must be able while traveling to communicate instantly with the White House in the interest of national security.

Mr. Sununu has been unable to use government planes for personal business since Mr. Bush ordered new travel rules. Since then, the chief of staff has asked the sponsors of political events at which he is to speak to arrange for corporate jets to pick him up in Washington and fly him back again.

The White House spokesman, Marlin Fitzwater, said Tuesday that direct requests to corporations to provide planes would not be improper, although Mr. Sununu's aides deny that he initiated such requests.

One administration official, echoing comments by many Republicans outside the administration, said Mr. Sununu "has a total blind spot on the issue of ethics and public service."

Party officials in three states where Mr. Sununu has made recent appearances said they, not the White House, had asked corporations to provide him planes.

Mr. Sununu and Edward Rogers, his chief aide, flew to Des Moines on Tuesday night by corporate jet arranged by the Iowa Republican Party so Mr. Sununu could address a fund-raising event, according to Randy Enwright, the party's executive director.

New Threat Forces Rushdie Back to Deep Hiding

By Glenn Frankel
Washington Post Service

LONDON — Salman Rushdie, author of the novel "Satanic Verses," has been returned to deep security cover after a warning from intelligence sources that a hit squad has been dispatched to Britain to kill him, according to sources here.

The sources said Mr. Rushdie and the Special Branch detectives guarding him were put on special alert in February after they were informed that an unidentified group had approached Iranian officials abroad with an assassination plan and had either received funding or tacit support. The sources could not say whether any members of the group had successfully entered the country.

Mr. Rushdie has been warned that the threat against him remains acute and has been forced to return to a regimen of deep secrecy and constant shifts to various safe houses, something he had tried to move away from last year, the sources said.

Besides supporting the assassination squad, several Iranian government officials have also spoken out in recent months in support of the Islamic decree, or *fatwa*, first issued against the British novelist by Ayatollah Ruhollah Khomeini in February 1989. And a private Islamic foundation with government connections announced in March that it had doubled the bounty for Mr. Rushdie's killing to $2 million.

The fatwa was issued after publication of "The Satanic Verses," considered blasphemous by some Muslims. Mr. Rushdie has been in hiding under Special Branch protection ever since.

Contacted through friends, Mr. Rushdie refused to comment on the new threat. But supporters in Britain have asserted that London has ignored what they call Iran's gross violations of a bilateral agreement between the two nations and has been willing to sacrifice Mr. Rushdie in its attempt to improve relations with Tehran.

"It's totally unacceptable that the British government is trying to sweep this under the carpet," said Frances D'Souza, chairwoman of the International Committee for the Defense of Salman Rushdie. "By refusing to publicly condemn these threats to Salman Rushdie's life while it continues to build relations with Iran, what the government is doing appears to condone terrorism."

Miss D'Souza and three prominent British authors — Harold Pinter, Ronald Harwood and Lady Antonia Fraser — met with Foreign Secretary Douglas Hurd last month to seek his assurances that the government was committed to pursuing the Rushdie case vigorously. She said the group was distressed to learn that Lynda Chalker, a deputy foreign minister for overseas development, had not raised the case during her visit to Tehran in April, the first official trip to Iran since relations were resumed.

Mr. Hurd explained to the group his belief that an aggressive pursuit of the Rushdie case would only undermine the fragile hold of political moderates on the Tehran government and ultimately make matters worse for Mr. Rushdie.

"The message from the U.K. government was that to raise the temperature through public statements would increase the threat to Salman's safety," Miss D'Souza said.

When relations were restored in September, Iran publicly pledged it would respect international law and would not interfere in British internal affairs. British officials interpreted that to mean the Iranians would neither encourage nor allow the carrying out of the fatwa.

But earlier this year, two senior Iranian government officials — Mohammed Khatami, minister of Islamic culture and guidance, and Mohammed Yazdi, head of the country's judiciary — repeated the death threat. And in February Ayatollah Ali Khamenei, Khomeini's successor as Iran's religious leader, formally renewed the fatwa.

Late last year Mr. Rushdie sought to re-emerge by granting interviews and making several brief, unannounced public appearances at bookstores to sign copies of his works. The Indian-born author also announced that he had embraced Islam and would not proceed with publishing a paperback version of "The Satanic Verses." But he refused demands to withdraw the book altogether and destroy remaining hardcover copies.

Virginia Politicians Say Spat Is Over

Washington Post Service

WASHINGTON — Governor L. Douglas Wilder of Virginia and Senator Charles S. Robb, Democrat of Virginia, have emerged from a one-hour peace conference to proclaim themselves friends and say they were never really feuding anyway.

Even as the fellow Democrats declared their mutual goodwill, sources said a federal grand jury may hear evidence as early as Friday on reports that Governor Wilder's car telephone calls were recorded secretly and passed on to Senator Robb.

According to sources, Mr. Robb may be asked to testify before a grand jury to try to determine who made and sent to Mr. Robb a tape of a conversation Mr. Wilder had in 1988.

Asked Tuesday whether he would be willing to testify, Mr. Robb, who has said the tape was sent to his office anonymously, said, "I will cooperate fully, but I can't imagine that happening."

Mr. Robb placed three of his top aides on administrative leave after disclosures that his office had held on to the tape for two and a half years before destroying it.

Mr. Wilder and Mr. Robb, sometime allies who have clashed periodically for almost 10 years, warmly praised each other at a news conference outside a Capitol Hill town house — a marked contrast to the hostile comments that they and their staffs have hurled recently.

Mr. Robb said, "We are now demonstrating that the kind of feud that has been talked about never existed."

Toxic Cleanup: A Third Spent on Inessentials?

By Michael Weisskopf
Washington Post Service

WASHINGTON — Nearly one-third of the $200 million spent by the U.S. government since 1988 to clean up the worst toxic waste sites in the United States has been spent not to clean up anything, but to pay the administrative expenses of private contractors.

In the jargon of the Environmental Protection Agency, which runs the cleanup program, the money has gone to "program management" — a loosely defined category of overhead covering everything from fringe benefits to office rents, business cards and parking fees of the engineering firms hired to carry out the work.

Program management is supposed to compensate firms for the costs of paperwork and coordination of cleanup projects under the agency's "Superfund," created by Congress in 1980 to rescue communities from poisonous debris dumped for decades by industry.

But the agency has so broadly defined those costs, and so widely distributed its largess under a new structure set up three years ago that administrative expenses have risen to twice the hourly rate of earlier Superfund contracts and nearly three times the spending target of agency planners.

The payments go far beyond the terms of most government contracts, which pay only for the actual time and expenses needed to administer their projects.

Under program management, the agency agreed in advance to set up semipermanent offices for 45 companies hired since 1988 to plan, arrange for and supervise cleanups they are contracted to carry out. Rent and salaries are paid, business costs such as training and recruitment are covered, and profit and bonuses are awarded — regardless of how many cleanup jobs they have to manage.

Congressional critics frequently complain of too few cleanups — 64 of the currently listed 1,200 Superfund sites have been completed with the $7.5 billion spent since 1981. Yet, there has been no public examination of how appropriations to one of the largest U.S. public works projects actually are spent.

A close look at the Superfund budget since 1988 discloses an increasing share for administration — $62 million in all — paid to some of the largest American engineering firms for services only remotely related to the cleanup of toxic waste. Existing 10-year contracts are expected to cost $6.5 billion between 1988 and 1998. At the current rate, program management would consume nearly $2 billion of that.

According to interviews and an extensive review of EPA records obtained by The Washington Post under Freedom of Information Act requests, program management includes a number of questionable expenses, none of which appears to fall outside the limits broadly drawn by the agency. For example:

- The EPA has paid millions of dollars in "start-up" money to the program management offices of contractors before they had a cleanup project to manage.

Four West Coast companies among them received $855,000 in the spring and summer of 1989 without having to visit a single toxic waste site.

- Not everything the agency buys its contractors is obviously related to cleaning up toxic waste. The Dallas office of Fluor Daniel Inc., for example, collected $162 for potted plants, $400 for business cards and $4,200 for technical books and journals.
- The agency pays for nearly any activity remotely connected to program management, including the writing of self-evaluations to justify bonuses.

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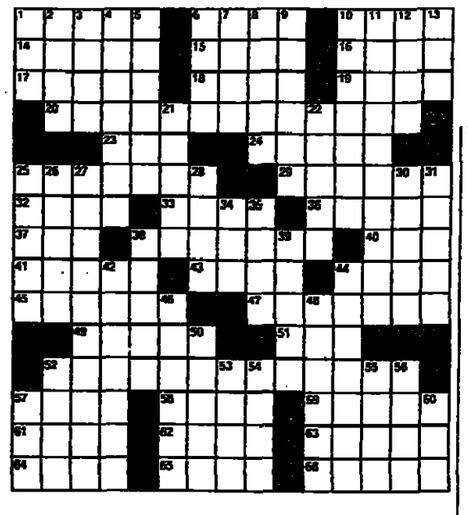
15 Choir member
16 Paducah's river
17 Showed an old movie
18 Ubiquitous street
19 Onetime Genoa magistrate
20 Tightwads
23 Agnus —
24 Wolf Larsen's ship
25 Mormon state: 1849
29 — limb (in a risky position)
32 Summit
33 "... River Kwai" director
36 Caravansary
37 Done — turn
38 "Sweet" one
40 Vague
41 Author Glasgow
43 Skirt lead-in
44 Certain snow field
45 Digs into
47 Infuriated
48 Changes the course of a sloop
51 A cont.
52 Tightwads
57 Dress style from Oahu
58 Met section
59 City south of Florence
61 René's notion
62 B-G connection
63 Ran in neutral
64 Dried up
65 Goddess of marriage
66 A foursome in Mississippi

DOWN

1 Revolutionary patriot-inventor
2 Benchley's "The —"
3 About
4 An attendee at an S.R.O. show
5 He works on hides
6 David, e.g.
7 Soviet range
8 Confidence game
9 Top banana
10 Unpretentious, in Paris
11 Kind of cook
12 Victorian transports
13 Tic-tac follower
21 Relinquish
22 Billet
25 Stale
26 — des beaux-arts
27 Minor politician, e.g.
28 Abound
30 Artless
31 Targeted
34 Former ring king
35 "— Rosa," 1929 song
36 Win by —
38 Forty- —
42 Émigré of a sort
44 Sea nymphs
46 Preliminary draft
48 Augusta, to friends
50 Playground staple
52 Subject for Goya
53 At no time, to Shelley
54 City in SE Turkey
55 Units of reluctance
56 Snick's sidekick
57 Wrong: Prefix
60 Commercials



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Solution to Previous Puzzle

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Kurds Still Vulnerable, U.S. Commander Warns

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The senior military commander of the U.S. relief operation in northern Iraq has privately warned the Pentagon that renewed violence could erupt if President Saddam Hussein of Iraq believes he can threaten Kurdish citizens after all U.S. troops are withdrawn in the next few weeks, U.S. military officials said.

The message from General John Galvin, supreme allied commander Europe and chief of the U.S. European Command, underscored the anxiety of some senior U.S. officers that Mr. Hussein remains insufficiently deterred from taking action against the Kurds after U.S. and allied troops leave, the officials said.

They said General Galvin and some other officers were pressing for an explicit warning by the allies to Mr. Hussein not to take repressive actions that might precipitate the return of coalition forces.

"With one strong statement from Washington, Mr. Hussein's attitude could change," a senior military official said.

But officials at the State Department, making apparent a difference of views within the administration, said that such a formal statement was not now being planned.

They said that Mr. Hussein would be adequately deterred by the continuing presence in northern Iraq of a small UN police force, plus an existing Security Council resolution calling for "decent humanitarian treatment" of all Iraqis.

These officials cited as an adequate expression of U.S. policy a statement Monday by Assistant Secretary of State John H. Kelly that "if there were major action" by Mr. Hussein against the Kurds, "the U.S. and other coalition forces would probably react to that one way or the other." Mr. Kelly was speaking at a hearing of the House Foreign Affairs subcommittee on Europe and the Middle East.

The United States has 7,192 troops assigned to the multinational task force based in southern Turkey, which has occupied portions of northern Iraq for the past two and a half months to protect the rebellious Kurds from attack by Iraqi forces. Nearly 3,000 U.S. troops have been withdrawn from the force in the past two weeks, and the remaining U.S. forces are expected to depart within three weeks, U.S. officials said.

In a move reflecting allied anxieties about the rapid pace of this pullout, foreign ministers from Britain, France, Italy and the Netherlands decided Monday that their nation's forces would not be immediately withdrawn.

The British foreign secretary, Douglas Hurd, said that he and the other ministers believed that the situation in Iraq remained unstable and that they would try to persuade Washington to leave its troops there for a longer period. "We don't want the operation to end in a way that created the problems in the first place," Mr. Hurd said, according to The Associated Press.

A diplomat said Britain wanted to ensure that "Mr. Hussein knows what is expected of him" after the coalition forces are withdrawn. He also said British officials wanted allied forces to remain until an arrangement was worked out for allied reconnaissance planes to continue operations from Turkish air bases.

General Galvin's warning, which was in a classified message to the chairman of the Joint Chiefs of Staff, General Colin L. Powell, said that any new outbreak of violence in the region could cause another Kurdish flight to the hills, a movement that U.S. forces have worked successfully since April to reverse. The warning was initially disclosed in a TV broadcast from London on Monday.

A Defense Department spokesman declined to comment, saying "We're winding up that operation."

Iraq Readies Pact on Kurds

Reuters

BAGHDAD — Iraq's ruling Ba'ath Party said Wednesday that President Saddam Hussein's government would announce an autonomy agreement with Kurdish rebels next week.

The party newspaper, Ath Thawra, said the announcement would be made immediately after Al Abda, a three-day Muslim feast that starts Saturday.

Kurdish rebel officials said earlier this week that Baghdad had conceded partial Kurdish control of Kirkuk Province, which produces much of Iraq's oil. Control of the province had been a sticking point in the talks that started in April.

Junking Apartheid: Now the Hard Part

De Klerk Next Faces Trying to Coax ANC Into Talks on New Constitution

By Christopher S. Wren
New York Times Service

JOHANNESBURG — In scrapping the last apartheid laws, President Frederik W. de Klerk has completed the comparatively simple stage of his plan for political change and confronts the more complex task of persuading the African National Congress and its allies to help negotiate a constitution that will expunge the vestiges of white supremacy.

Parliament's repeal of the Population Registration Act, which classified every South African according to race, removed the last basic law of apartheid. Although Mr. de Klerk has been credited with courage in taking this step, it was relatively easy compared with what must follow, because it required nothing more than action by a legislature controlled for the last 43 years by his National Party.

Now he must entice the African National Congress into negotiations on a constitution. In a speech Tuesday, he said the barriers to such talks had been removed. As the next step, he proposed that all political parties meet before the end of the year to start the negotiating process.

"On its part," Mr. de Klerk said, "the government will do everything possible to get the multiparty conference off the ground.

"We have not been dragging our feet and have no intention of doing so."

Nelson Mandela's organization refuses to join constitutional negotiations until the government acts to end violence between the ANC and the Inkatha Freedom Party, a Zulu-based movement.

The ANC accuses the government of abetting Inkatha, and also accuses the government of foot-dragging on a pledge to release political prisoners.

The ANC and its allies boycotted a conference called by Mr. de Klerk on May 25 to discuss ways to stop the violence. It has agreed to attend another such meeting, this one called by church leaders, on June 22, as has the National Party.

The ANC played down the significance of the repeal of the Population Registration Act, saying it did not mean much because blacks still could not vote. In doing so, the ANC highlighted the difficulties that Mr. de Klerk has faced in dismantling the framework of apartheid.

Mr. de Klerk has said political equality for blacks must be built into a constitution. The present one, adopted in 1984, allows South Africans of mixed race and Indian descent a measure of political participation, but it excludes blacks, who make up more than three-quarters of the population.

To scrap the constitution now would nullify the parliamentary system through which the National Party continues to run the country. It would also undercut Mr. de Klerk's attempt to control the pace and direction of change.

But retaining it means perpetuating a form of racial classification through existing segregated voters' rolls and the exclusion of blacks from the political process.

The ANC proposed electing a constituent assembly to draft the constitution, and installing an interim government to handle the transition to majority rule. The government rejected this as tantamount to surrender.

"What is needed now is constructive involvement and encouragement by all who are able to make a contribution," Mr. de Klerk said this week. "Then the new and just South Africa, which can no longer be stopped by anyone, will become a reality sooner."

The strategies of the government and the ANC have also collided on the question of sanctions. In repealing the Population Registration Act, the legislature took another step toward meeting the conditions for the lifting of U.S. sanctions imposed in 1986.

The government had already ended a ban on the ANC and other political parties, lifted the national state of emergency, repealed laws restricting black ownership of land and dictating where blacks could live, and declared its readiness to enter good-faith negotiations with its former opponents.

The major issue in dispute is the release of political prisoners; the ANC contends that hundreds remain behind bars. Mr. de Klerk said that 1,022 political prisoners had been released under what amounted to a general amnesty, and that those left inside had committed violent crimes.

The ANC does not want Western sanctions removed before it approves their removal. To acknowledge the progress made by Mr. de Klerk goes against its interest in maintaining sanctions, which have been one of its major weapons against Pretoria.

Mr. de Klerk urged the ANC to cooperate by stopping "purely repetitive" marches and petitions, avoiding "rigid declarations" and promoting tolerance among its supporters.

U.S. Prepared To Lift Boycott

Reuters

WASHINGTON — President George Bush is prepared to lift U.S. economic sanctions on South Africa next month in response to its dismantling of apartheid, U.S. officials said Wednesday.

Congress enacted legislation in 1986 to put pressure on South Africa to end racial segregation by forbidding U.S. investment in South Africa, cutting commercial air links and halting trade in a broad range of items.

Mr. Bush was described by an official as "prepared to lift the sanctions, probably in mid-July."

SOVIETS: *Assault on Gorbachev*

(Continued from page 1)

Supreme Soviet also see the current plans for change as a threat to their own existence as government figures.

Leaders of 9 of the country's 15 republics and Mr. Gorbachev have initialed a new union treaty that, if approved by the union and republican parliaments, would lead to a new constitution and the dissolution of the current Supreme Soviet.

Although they publicly voice their support for the Soviet leader, Mr. Kryuchkov and Marshal Yazov reportedly told the deputies that Mr. Gorbachev's policies had weakened the Soviet Union's stature in the world.

The three ministers arrived at the Supreme Soviet session after they had been asked to come in the morning by the Soyuz deputies. The liberal newspaper Komsomolskaya Pravda expressed mock astonishment that the ministers had arrived so quickly, with prepared speeches in hand.

Mr. Rybachenko said the ministers were trying to scare the Supreme Soviet into voting against the new union treaty under the pretense that it would destroy the Soviet Union as a superpower.

Help the Soviet Military Remake Itself, Nunn Says

Washington Post Service

WASHINGTON — The Senate Armed Services Committee chairman, Sam Nunn, proposed Wednesday that the United States help the Soviet Union convert its military-industrial complex to production of civilian goods as the "centerpiece" of a new relationship.

Rejecting direct economic aid as tantamount to "pouring money into a cosmic black hole," Mr. Nunn, a Georgia Democrat, said military conversion was "pivotal" to economic change and suggested joint ventures, including American private investment, to aid in the conversion.

"If the Soviet Union encourages American firms to explore and extract vast Soviet reserves of gas and oil, for example, the revenues could help fund private investment in joint ventures of military conversion," he said. These might include cleanup of nuclear, chemical and other wastes produced by the Cold War, he added.

In a speech to the National Defense University at Fort Lesley J. McNair in Washington, Mr. Nunn, one of the most influential congressional figures on defense policy, said such an arrangement would serve U.S. national security interests while accelerating economic change within the Soviet Union.

YELTSIN: *Criticism for His Rival*

(Continued from page 1)

set up their enterprises in the Soviet Union, to own them and manage them as they see fit," he said. "And we want them to make a profit, and we believe the people of Russia will benefit because of that."

The blunt Russian leader at first appeared sensitive to U.S. concerns that his visit might embarrass President Gorbachev, who has the support of the Bush administration.

He said his election victory over five other candidates in direct elections last week was made possible by the changes Mr. Gorbachev initiated six six years ago. And he stressed that Mr. Gorbachev had returned to the democratic path after an uncertain winter when dictatorship threatened to replace the fledgling democracy.

As he was escorted by Mr. Dole to the meeting in Mr. Mitchell's office, he told reporters that Russia was ready to fight for change. "I want them to understand the relationship between the central government and Russia, and I want their sympathy and cooperation," he said.

Mr. Yeltsin told the senators that he wanted to discuss the conversion of military industries to civilian use, and that he understood the United States had a similar problem. *(AP, Reuters)*

EUROPE: *A Soviet Roadblock*

(Continued from page 1)

Vienna the "acid test of the effectiveness and credibility of the CSCE process" and added: "We cannot and must not be indifferent when the danger of military force threatens anywhere in Europe."

Because of its size and unwieldy structure, the conference remains suspect in the minds of many Western diplomats.

Although James A. Baker 3d, the U.S. secretary of state, seemed to warm to the conference in a speech in Berlin on Monday night, many European diplomats still consider the American reluctance to embrace the conference a strong brake to its potential usefulness.

The debate Wednesday over the conference's emergency powers confirmed many diplomats' suspicions that the group is not yet equipped to serve the European security council function that some countries envision.

Late in the day, the conference moved toward a compromise that would allow 12 or 13 nations to call an emergency session to discuss unsettling military developments such as those in Yugoslavia in recent months.

But Hans van den Broek, the Dutch foreign minister, said Wednesday night that although the conference could, for example, call an emergency meeting in the event of a Soviet military move in the Baltics, "the question is whether the affected country would attend."

He said that in such a case, the Soviets might declare that they were not required to attend a meeting because they considered their military action an internal matter.

The difficulty of reaching decisions at the conference was demonstrated Wednesday when the Soviet Union blocked foreign ministers from the three Soviet Baltic republics from being seated at the red conference table in the Reichstag. Ministers from Latvia, Lithuania and Estonia instead watched the ceremonial opening session from the gallery and were escorted from the hall before the business meeting.

"This is not the forum to discuss the status of the Baltic states," said a Soviet spokesman, Vitali I. Churkin. "That will be decided in our country, according to the constitutional process."

NEWS ANALYSIS

EYES: *Creating the Western Look*

(Continued from page 1)

standard of beauty that seems Western: One impolite slang term in Chinese for a Westerner is "Big Nose."

Still, although increasing numbers of Chinese are adding to their noses, these have not reached the degree of protuberance common in America.

The standard for beauty seems to be less defined for men than for women, perhaps partly because many women say that in choosing a boyfriend or a husband they are more concerned with a man's job and earning potential than with his appearance.

Nevertheless, in one indication of the fascination with Western looks, one of China's hottest pop stars in recent years has been Fei Xiang, a tall, blue-eyed crooner whose mother is Chinese and whose father is American.

"There's definitely been a Western influence on beauty, as well as on clothing, fashions, entertainment, even what we eat," said Lu Lei, 18, a model in Shanghai. But Miss Lu, whose job is among the most coveted in Shanghai, added that there were still important differences between the two cultures in what is considered attractive.

"In the West," Miss Lu said, "beauty lays emphasis on sexiness and an aggressive sort of attractiveness. In China, good looks are supposed to be more demure."

Madagascar Opposition Seeks New Constitution

Reuters

ANTANANARIVO, Madagascar — Some 150,000 protesters took to the streets of Antananarivo on Wednesday in support of opposition demands for a new constitution. Local radio reported protests in other cities.

A leading member of the opposition said President Didier Ratsiraka must back democratic change or fall from power. Richard Andriamanjato, a member of the Opposition Platform, said his group would seek a national conference to prepare for a new constitution.

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U.S. Bid To Beijing On Missile Curb Fails

Compiled by Our Staff From Dispatches

BEIJING — Undersecretary of State Reginald Bartholomew left here Wednesday without securing a guarantee from China that Beijing would not sell missiles to Pakistan and Syria.

But Chinese officials said they were "seriously considering" signing the nuclear nonproliferation treaty, Mr. Bartholomew said.

Mr. Bartholomew, responsible for international security affairs, said after three days of talks that he had obtained no assurance from Chinese leaders on the sale of M-9 missiles to Syria and M-11 missiles to Pakistan.

China's sale of such missiles — both of which have ranges of about 300 kilometers (190 miles) — concerns Washington and its Western allies, some of whom have approached Beijing independently on the matter, diplomatic sources said.

"I told my Chinese hosts that I could see no benefit accruing to China from such transfers, politically, economically or otherwise," Mr. Bartholomew said.

He warned that the United States would take unspecified retaliatory measures if these sales went through.

The Chinese government said only that it was "seriously considering" abiding by the international Missile Technology Control Regime, which allows the sale of M-9 and M-11 tactical missiles.

The Chinese Foreign Ministry also said Monday that "no negotiation is going on at present between China and Pakistan on the sale of weapons," a claim that was contradicted by officials in Islamabad.

After meeting with Foreign, Defense and Foreign Trade Ministry officials for more than 11 hours, Mr. Bartholomew cautioned that although he felt he was listened to when expressing U.S. concerns on Chinese missile sales, "whether I will be followed is another question."

China — the world's sixth biggest arms exporter — has agreed to take part in an international conference in Paris in July on arms reductions in the Middle East.

The Paris conference was organized at the initiative of the United States, which has invited the other four permanent members of the UN Security Council — the Soviet Union, China, France and Britain. Moscow has not yet said whether it would attend.

Although Mr. Bartholomew did not secure any guarantee on China's signing of the nuclear Nonproliferation Treaty, he said Tuesday that Beijing was seriously considering adhering to it.

"We must watch and listen," a Western diplomatic source said. "But this may indicate a change in position by Beijing, which has until now categorically refused to adhere to the treaty but which hopes for a complete normalization in its relations with the West."

China is the only nuclear weapons state and permanent UN Security Council member that has not agreed to abide by the the treaty, following the recent announcement by France that it would sign it.

Along with human rights and bilateral commercial relations, nuclear nonproliferation is one of the three issues on which Washington wants Beijing to improve its record.

President George Bush, who supports "strong relations" with Beijing, said last month he supported renewing China's most-favored-nation trading status. *(AFP, LAT)*

White Rightists In Call to Arms For a Race War

Reuters

JOHANNESBURG — South African neo-Nazi leaders have told whites to prepare for war with blacks as a result of the scrapping this week of racial classification.

"Awake, white man, the Germanic spirit of protest and civilization burns within you," Eugene TerreBlanche said at a rally of his paramilitary Afrikaner Resistance Movement late Tuesday in Pietermaritzburg.

"If de Klerk succeeds with his plans," said Piet Rudolph, the movement spokesman, "South Africa will be plunged into a revolution that will surpass the bloodshed of the French and Russian revolutions."

Mr. TerreBlanche said President Frederik W. de Klerk had showed himself to be a liar and a communist by securing the repeal of the Population Registration Act, which divided people into four main racial groups.

In speeches laced with slurs against blacks, Jews and Muslims, Mr. TerreBlanche and Mr. Rudolph told members of the far-right movement, which is the country's largest, that they might soon be asked to give their lives in a war to retake South Africa for whites.

On Tuesday, another white rightist group, the Boerestaat Party, also issued a call to arms. It announced plans to issue racially based identity documents to any whites upset by having to carry nonspecific documents after the repeal of race classification.

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Seoul Grounding a Flight Crew Who Grounded Korean Airliner

Reuters

SEOUL — Citing a "preposterous error" by the cockpit crew, South Korea grounded a pilot who ignored three warnings and crash-landed his airliner carrying 119 passengers, a Transport Ministry official said Wednesday.

An investigation into the incident at Taegu airport last Thursday said the crew of the Korean Air aircraft tore out the circuit breaker to silence the alarms.

The co-pilot and flight engineer also had their licenses revoked, he said.

The crew realized only seconds before hitting the ground that the horns were not false alarms and that the landing gear had not lowered. They were unable to jettison surplus fuel or call up fire fighters to spread foam to cushion the landing and contain any flames.

Passengers were not warned to prepare for the emergency, but no one was injured.

As Volcano Abates, Some Manila Flights Resume

Compiled by Our Staff From Dispatches

MANILA — Some foreign flights out of the capital's airport were able to take off on Wednesday for the first time since Mount Pinatubo's series of weekend eruptions.

The mountain's daily eruptions entered a second week Wednesday. At least three more earth tremors were recorded, and the U.S.-run Clark Air Base was blanketed with more ash.

Still, scientists said Pinatubo was steadily calming, and they reduced the danger zone from a radius of 30 kilometers to 20 kilometers (18 to 12 miles). That zone still encompasses Clark, which is 15 kilometers east of the volcano.

Scientists estimate that Mount Pinatubo ejected hundreds of millions of tons of molten rock and ash during its week of eruptions, which killed at least 214 people, swamped villages in mud and collapsed buildings by the weight of their falling sand.

Ninoy Aquino International Airport in Manila remained officially closed, but planes from Qantas, Lufthansa, Cathay Pacific and Singapore airlines left "at their own risk" with passengers aboard. They had been stranded by a huge eruption Saturday.

Airport officials said planes from other airlines were still stranded. They said the airport would remain closed through Thursday so workers could cover the sides of the runway with liquid asphalt to reduce volcanic dust, which can damage jet engines.

No new ash had fallen since Saturday on Manila, 80 kilometers south of the volcano, but the city's air remained clogged with fine debris.

The volcanic activity forced the closure of Clark, the largest U.S. air base in Asia, and the evacuation of 20,000 Americans.

The Philippine government sent dozens of food vans and fire engines with water to areas devastated by the eruptions.

About a quarter of a million refugees have squeezed into schools, churches and makeshift shelters, and social workers said that riots could erupt unless the government supplied enough food.

Teams distributed canned food, drinking water and even sandwiches from canceled airline flights, said the undersecretary of trade and industry, Ernesto Ordonez.

President Corazon C. Aquino has ordered agencies to mobilize for a major rehabilitation effort.

Eight more U.S. warships steamed toward Subic Bay to help speed an exodus of American military dependents from Clark and the Subic Bay Naval Base.

Military officials hope to remove all 20,000 dependents by the end of the week. The carrier Midway is expected to arrive at Subic from Japan on Thursday.

Since Sunday, 10 warships have carried more than 7,000 spouses and children from Subic to Cebu, 550 kilometers miles southeast of Manila.

In Angeles, a town adjacent to Clark, officials began clearing roads of tons of mud and other volcanic debris. The city, which had been home to 300,000 people, remained without electricity and tap water.

In Olongapo, home of the Subic base, streets remained buried under a foot of ash, and drinking water was polluted with mud. *(AP, Reuters)*

WALLS WILL NOT PROTECT US FROM AIDS.

Caving into political pressure, the U.S. government has reversed its announced immigration policy and will now bar anyone with HIV from entering the U.S. This policy is out of step with international norms. And puts us in league with Iran, Iraq, and South Africa.

The policy is medically unjustifiable. By upholding these barriers, President Bush is surrendering to Jesse Helms and others who trade in fear — and rejecting the considered advice of his own top health officials at the U.S. Centers for Disease Control and the Department of Health and Human Services.

This policy can still be corrected. The U.S. can prove it is a fair and just nation with a rational and responsible health policy — but only if you act by August 2.

That's the deadline for a new round of public comment on the proposed cruel and discriminatory immigration policy.

BASE U.S. IMMIGRATION POLICY ON THE MEDICAL FACTS, NOT THE POLITICS OF FEAR.

Barriers to visitors or immigrants with HIV have nothing to do with a coherent policy on AIDS. In fact, all the restrictions do is stigmatize people with HIV and distract our nation from truly urgent medical needs.

Where's the logic? The U.S. doesn't bar other visitors or immigrants with life-threatening illnesses. According to health officials including Secretary of Health and Human Services Louis Sullivan, the only disease that poses a threat sufficient to bar entry to the U.S. is TB.

Where's the risk? The U.S. already has far more recorded HIV infections and AIDS cases than other countries. We should concentrate on reducing the infection rate internally, not pretend the threat comes from outside. HIV, unlike TB, simply cannot be casually transmitted.

What's the fear? Fearmongers have raised the issue of health costs. But the U.S. Government already has the power to deny entry to people likely to become a burden on the public. HIV restrictions only frighten undocumented persons now living in the United States away from timely diagnosis and treatment. Faced with deportation and a break-up of their families, long-time residents who are infected — the vast majority while they've been in the U.S. — are driven underground, away from care.

To bring U.S. policy into agreement with international standards, mail the coupons below immediately.

Policymakers must know how strongly you feel about protecting human rights. Walls will not protect us from AIDS. Responsible action can. And the time to act is now.

GMHC

Sponsored by Gay Men's Health Crisis, Inc., the oldest and largest AIDS organization in the U.S., providing direct services, education and advocacy for men, women and children with AIDS.

ACT BY AUGUST 2ND.

Charles R. McCance, Director
Division of Quarantine
Center for Prevention Services
Centers for Disease Control
Mail Stop EO3
Atlanta, GA 30333

Immigration restrictions on people with HIV are medically unjustified and violate human rights. The interim rules are unacceptable. Bring U.S. immigration policy into agreement with international standards. Measures urged by those who trade in the politics of fear will not protect the public health. Responsible policy must be based on the medical facts.

NAME

ADDRESS

President George Bush
The White House, Washington, D.C. 20500

Immigration restrictions on people with HIV are not medically justified and violate human rights. Take your health officials' advice. And focus America's attention on *genuine* prevention.

NAME

ADDRESS

The Honorable Louis Sullivan, M.D.:

Your battle to lift cruel and discriminatory immigration restrictions on men, women and children with HIV is commendable. Unless these barriers are removed, it is inappropriate to hold an international conference on AIDS in the U.S. Only knowledge can protect us from this disease. Refuse to let political pressure overrule responsible medical opinion.

NAME

ADDRESS

Forward this urgent message to Secretary Sullivan. And please tell me how I can support GMHC's activities on behalf of people with AIDS.

Please mail to: Gay Men's Health Crisis, Inc.
129 W. 20th Street, New York NY 10011.

These organizations join us in urging you to act immediately: AIDS Action Committee of Boston, AIDS Action Council, AIDS National Interfaith Network, AIDS Project Los Angeles, American Civil Liberties Union, American Foundation for AIDS Research, Human Rights Campaign Fund, National Hemophilia Foundation, Northwest AIDS Foundation, San Francisco AIDS Foundation, Whitman-Walker Clinic.

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OPINION

Downhill in India?

Any thought that a chastened India would respond to the assassination of former prime minister Rajiv Gandhi three weeks ago by turning in a spirit of national *emergency to the reconstruction of a work*ing political order has been buried by the results of the resumed electoral campaign. The voting has now been concluded, although with a reduced turnout. Local violence, undertaken to seize polling places and stuff the ballot boxes, has continued. In *secession-minded* Punjab there were regular political killings throughout the campaign. The most populous democracy in the world may also be the most disorderly.

Immediately after the scion's murder, the Gandhi family's Congress Party appointed his widow to take it over. She had the good sense to refuse, but there has not yet been time for the party to sort out the post-dynastic scene and generate new national leadership. The vacuum at the top is all the more *embarrassing for the fact that the* Congress Party took a plurality of the popular vote and now must cast about for someone to act as prime minister. It must also find partners, probably by looking to its left, to enable it to govern.

As it happens, the voters have given no clear signal as to what direction they wish the country to go *in. They split along religious*, ethnic, regional and social lines. The secular, centrist Congress Party is strong in the south but — in a blow to Congress's claim to be a national party — the Hindu chauvinist Bharatiya Janata Party is strong in the north. Some of the Indian analysts are suggesting that the people, in generally repudiating incumbents, meant to punish the political parties. But if this is so, they are also punishing themselves.

In unfamiliar precincts all around the world, a democratic revolution has been unfolding. This makes it all the more disheartening to observe *the travails of the* political system in the country usually identified as the forerunner of Third World democracies. Westerners are sometimes given to imagining that a powerful spirit of the age ensures the progress of democracies elsewhere, but this is of course absurd. Democracies *empower* people, and people can foul things up. Even without the Rajiv tragedy, Indians were facing a forbidding array of national troubles. They need uncommon courage and responsibility to meet them now, and the signs are not good.

— THE WASHINGTON POST.

America Looks Foolish

The American policy to block visits or permanent immigration by foreigners infected with the AIDS virus came under justifiable criticism at the international AIDS conference in Italy this week. The policy has very little public health value. Its chief effect is to make the United States a laughingstock in world medical circles. The policy should be abandoned, quickly.

The United States currently bans entry to foreigners *infected with several diseases, in*cluding syphilis, gonorrhea, leprosy, tuberculosis — and the virus that causes AIDS. But the Department of Health and Human Services has proposed to eliminate all but infectious tuberculosis from the list. The wisdom behind that proposal seems plain. Neither *AIDS nor any of the other diseases to be* struck is spread through air, food or water to casual bystanders. Virtually the only way for an adult to get AIDS in America is through unprotected sexual intercourse with an infected person or by sharing contaminated drug needles. But the Justice Department, *responding to an avalanche of complaints*, blocked the new HHS policy, leaving the old rules in place pending further debate.

The two chief arguments for the ban are superficially plausible. One is that some of the infected foreigners will surely spread the virus to Americans. The other is that *infected immigrants will eventually require* costly care. But the danger is slight. And if cost is the issue, then the United States would ban all foreigners with kidney disease, cancer or other costly ailments. It enforces no such mean-spirited policy in *those cases, nor should it for AIDS.*

The ban is particularly silly for short-term visitors. Trying even to identify such individuals brings widespread condemnation. The World Health Organization and European health ministers plan to boycott the international AIDS conference in Bos*ton next year unless the United States* changes its policy.

How to handle foreigners seeking permanent residency is a tougher issue because the longer they stay the greater the chance that some might spread the virus or require care. But by one government estimate, only about 600 AIDS-infected individuals would be admitted as permanent residents each year — compared with a million Americans already infected. And finding them among the 600,000 admitted each year would require costly testing. If the goal is to fight AIDS, this is not where to spend the money. *The rate of infection is far lower among* foreigners than among Americans.

What a travesty that the United States, with one of the largest AIDS-infected populations in the world, has taken a stance implying that the danger comes from abroad. The Bush administration should *reverse this ban, the chief effect of which is* to give America an international black eye.

— THE NEW YORK TIMES.

No to Kangaroo Justice

The Senate is about to consider a terrible proposal that would allow the United States government to hold secret trials leading to the deportation of certain noncitizens. It will come up as part of an assorted crime package moving to the floor this week. On the agenda are two crime bills, one supported by Senator Joseph Biden and the Democrats, the other the administration's proposal sponsored by Senator Strom Thurmond. Because the major features of both bills — the death penalty, habeas corpus revisions and changes in the exclusionary rule — have been considered in both houses recently, the Senate Judiciary Committee held only three perfunctory hearings this year: one on habeas, another on rural crime and a third to hear Attorney General Dick Thornburgh.

Incredibly, no hearings were held on the deportation proposal, which *is new this* year. Moreover, because the committee did not even vote on these bills but simply sent both to the floor without recommendation, there is not even a committee report that evaluates this section of the president's bill.

The proposal is directed against aliens who the *government believes are engaged in* "terrorist activity." It applies to all noncitizens, even those who have entered legally, have lived in America for decades and have children and other close relatives who are citizens. The bill uses a definition of "terrorist activity" that is broad and includes raising money for or urging others to join "terrorist organizations," although it does not define the latter term. That is a political decision left to the government, and presumably it could include groups such as Kurdish nationalists, Afghan rebels, Sikh separatists and the IRA. Spokesmen for the PLO are singled out in the statute as engaging in terrorist activity.

The administration bill would allow the Justice Department to go to a secret court and get an order for a special proceeding to deport such people. Targeted individuals would have no notice of this hearing and no opportunity to attend or be represented. They could be arrested and detained as soon as this petition was filed. At the special proceeding that followed, the government could present secret evidence — outside the presence of the alien and his lawyer — and could even withhold a summary of that evidence from the accused. Theoretically, appeals would be allowed, but again, the evidence used at the trial could be kept under seal and the appeal argued in secret.

Does this sound like a proceeding in an American court? It is a nightmare that could allow the worst kind of injustice. Although not a criminal trial, a deportation *hearing involves severe penalties and must* afford due process. There is not much that is good in either of the crime bills coming up for consideration — gun control is the exception — but this blueprint for a kangaroo court stands out. It is hard to see how anyone with any respect for the American idea of justice could support it.

— THE WASHINGTON POST.

Other Comment

Yeltsin Will Be Accountable

Mr. Yeltsin, for all his color and nonconformist platform, is also a realist. He will be in America this week to assure the world *that he intends to work for stability. He has* promised massive reform in Russia, but his first statement as elected leader warned that he had no formula for a quick fix.

Confrontation is inevitable. A hasty meeting between Mr. Gorbachev and Mr. Yeltsin shortly after the Russian polls closed saw the two men discussing cooperation in reform. But Mr. Yeltsin's vision of Russia's future contrasts starkly with party policy. His first policy statement said he would seek a law *banning Communist* Party cells in factories and government offices. Such a law is unlikely to sit well with the KGB and Red Army conservatives who have undermined Mr. Gorbachev's twin platforms of openness and economic reform.

Clearly, the democratic revolution which has swept Eastern Europe and Latin America has also arrived in the Soviet Union. *Democracy and freedom hold no magic an*swers on how to bring a nation out of poverty. But democracy achieves overnight one objective which no totalitarian system can match: It makes leadership accountable. The Russians who voted for Mr. Yeltsin will be watching — and criticizing — his performance as closely as his Communist rivals.

The election shows that Russians demand leadership and solutions from their officeholders. Their rejection of the Com*munists places more than mere distinction* upon Mr. Yeltsin's head. It puts the burden of responsibility upon his shoulders.

— Bangkok Post.

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Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx RS56928 Mng. Dir. Asia, Rolf D. Kruenpuhl, 50 Gloucester Rd., Hong Kong. Tel. 8610616. Telex: 61170 Mng. Dir. U.K., Garry Thorne, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009 Gen. Mgr. Germany: W. Lauterbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel. (069) 726753. Tlx 416721 Pres. U.S.: Michael Carras, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex: 427175 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

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Yeltsin Will Aim for a New Russia in a New Union

By Oleg Rumyantsev

The writer is deputy chairman of the Russian parliament's constitutional commission and a leader of the Social Democratic Party of Russia.

WASHINGTON — With the election of the first president of Russia, an era in Soviet history has ended. Boris Yeltsin's victory marks a passage from the disorder of revolution to the hard work of solid reform.

The election ends the Russian democratic revolution that since *1987 has awakened civil society and* laid the foundation of a new political system. Independent opposition groups clashed with the Communist Party's moves toward "perestroika." On one side was "glasnost," on the other economic failure.

The period that saw Mr. Yeltsin clash with the party's leadership and its shameful attempt to destroy him also saw the terrible massacres of Armenians, the rise of the first democratic opposition, led in the Congress of People's Deputies by Andrei Sakharov, the birth of new political parties, the chimerical 500-day plan of economic reform and the drafting of a new constitution for Russia.

As a candidate, Mr. Yeltsin was a product of those stormy times. As a popularly elected head of Russia's government, this politician is set to evolve beyond his beginnings and lead his people to lasting change.

Of the features that distinguish *him*, the first is emergence as a national leader, representing not a single political force but a wide coali*tion. Beginning with the Russia's* historic declaration of sovereignty a year ago, he has been opening the way to popular participation in a series of major reforms.

Second, Mr. Yeltsin seeks a national consensus. His program invites an end to confrontations, a start toward agreements that can endure. Anti-Communist hysteria is out, replaced by an emphasis on *competence and reliability.*

Third, Mr. Yeltsin, as leader of the Russian Republic, is taking a constructive approach to the problems of the entire union. In response to efforts in 1988 and 1989 by Mikhail Gorbachev and Communist leaders to bar them from the Soviet Congress, opposition democrats concentrated on winning parliamentary elections, especially in Russia and the Ukraine. Those victories, however, trapped the winners in a fight with the state, the center of which was in Communist hands. Distinctions blurred. Searching for independence, some democrats mistakenly took the idea of national sovereignty too far, up to the brink of disintegration.

Recognizing the futility of that course, Mr. Yeltsin is now taking decisive steps toward re-creating the U.S.S.R. as a Union of Sovereign Republics. Democrats from all the Soviet republics must come to see the wisdom of that approach.

Fourth, he assumes an office in which powers are not yet dangerously *concentrated and must not be.* The road to reform lies in a true separation of powers. Until now, our homemade parliamentarianism has meant endless congresses, sessions, disputes over standing orders, bills, laws, edicts. Our mistake has been to forget representative democracy, the powers of the judiciary, the administrative organs, the civil courts and constitutional balance.

In the executive branch that Mr. Yeltsin will now head, we intend to develop four levels: a president and national security council to decide collectively on key strategic issues; a new cabinet that will be a coalition of specialists; presidential appointees to ensure close working liaison with geographic regions and separate policy sectors; and local administration. It is essential to "de-sovietize" local governments, so that the tiresome chattering of our enormous "village parliaments" can give way to competent urban management.

Finally, Mr. Yeltsin aims to re*build a solid Russian state and its* political institutions, and the traditions and norms of a free civil society. Under his leadership, Russia now has a chance to become a country where labor is dignified, entrepreneurial initiative is free, parties are modern, religious faiths can multiply, families can be strong and culture deep.

Russia can once again become an organic part of world civilization. It can if we put our minds, instead of our emotions, to work on our problems and on overcoming the legacy of the strange life we have led. At the start of a new era of legitimacy and with a new opening to Western partners, we can see not only the difficul*ties in our future but also a reliable,* predictable path to mastering them.

The Washington Post.

Unite or Expand: Europe's Choice Looks Stark

By William Pfaff

PARIS — Europe nears a crisis as yet unarticulated. While political union for the existing economic community is being negotiated, the geographical dimensions of "Europe" have been thrown into fundamental confusion and contro*versy by the liberation of Eastern Europe.*

François Mitterrand said several days ago that it could be "dozens and dozens of years" before the East European countries are admitted to the European Community. He later amended that to say that each case was different, but the remark produced a terrible shock in Czechoslovakia, Poland and Hungary. Mr. Mitterrand was revealing the choice that has to be made.

Terms for a common EC foreign and security policy are under negotiation, with a draft to be finished by December. A common currency and European central bank are supposedly on the way, linked to the single market that will exist in 1993.

This economic and fiscal integration assumes parallel economic policies in countries at roughly the same levels of industrial development. For this reason, a single currency is feasible today only for the core EC states, all of them already part of the European Exchange Rate Mechanism.

The proposed currency union meets economic obstacles in the poorer countries (Greece, Portu*gal, Spain), while Britain is against a single* currency, proposing in its place a common currency — a 13th currency, for trade, accounts and travel.

When other advanced European economies join the Community there will be new difficulties. Sweden applies for EC membership in July. Austria and Finland expect to follow. Norway undoubtedly will reapply, and possibly Switzerland.

Turkey's application has been pending since 1987. Awaited now are the applications from *Czechoslovakia, Poland, Hungary, Bulgaria, Ro*mania, Yugoslavia (if it survives). Germany says the ex-Communist states have to be brought into the EC quickly. If they are not given cause to believe that they will soon become part of "Europe," democratic forces there will be undermined. The result could be political breakdown, extremism, mass migration westward.

Britain also wants the East Europeans rapidly admitted to the Community. London shares the German concern over potential trouble in the East, and as the British government also opposes a federated Europe, bringing more countries into the EC will help it block federation.

The contradictions that confront Europe are obvious. If there really is to be an integrated, federal Europe with a central bank, a common foreign policy and a security policy, it is hard to believe that this can be composed of more than the original six of the Community — France, Germany, Italy and the Benelux three — possibly enlarged by two or three others.

Spain and Portugal might be part of it, given regional aid to bring them closer to the others' economic levels, and possibly Denmark. Britain will not belong, for political reasons. Greece will not, for economic reasons. Ireland will not, because its neutral foreign policy precludes it.

Of the prospective members, Sweden, Austria and Switzerland are advanced economies but political neutrals who presumably wish to remain neutral. Sweden has explicitly asked exemption from security integration. The Soviet Union has made it known how sensitive it is to East European military cooperation with the West.

Hence there has to be a two-speed Europe — or a three-speed one — on security matters as well as on monetary integration. There certainly will have to be a four- or five-speed market, if the ex-Communist states join it. Germans already talk of as long as 20 years to bring East Germany up to West European economic speed. How long would it take to do that for Romania, Bulgaria — Alba*nia*? What will be left of European Community economic integration, not to speak of its "federal vocation," when all these countries are members?

If they are not made members, what happens to them? Their future will be extremely difficult in the best of circumstances. What might happen to them is suggested in the xenophobic, avowedly neo-Nazi demonstrations seen in Dresden last weekend, the current prospect of civil war in Yugoslavia, and the nihilism and disillusionment with the West that is the all-too-possible result of economic "privatization" programs that result in swindles, criminal enrichment and asset-stripping.

But is the Community to sacrifice the Europe of Jean Monnet's and Robert Schuman's inspiration to a quixotic expansion? Quixotic because it is not evident that EC expansion eastward would achieve its intended political and economic goals. Possibly the choice is not so stark. One hopes it is not. But the issues must be confronted.

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Mitterrand's Deft Maneuvers Evade the Problems

By Jim Hoagland

PARIS — Word filters out from the Elysée Palace periodically that François Mitterrand, known as Monsieur le Président de la République in protocol and simply as "God" in the satire sheets and cafés, has lost interest in his job, in politics and even in France itself. Ten years in power and 74 on earth have taken their toll, the whisperers say.

It is then that "God" strikes. Like Ivan the Terrible rising from his staged deathbed to confront his rejoicing henchmen, Mr. Mitterrand with a few swift strokes demonstrates that he has lost none of his zest or *skill for political maneuvers and tac*tical surprise. He upsets the chessboard, wonders aloud why his opponents and rivals have forced him to do so and then resumes his Olympian distance above mere mortals.

So it is now. After celebrating the 10th anniversary of his first presidential victory on May 10, 1981, Mr. Mitterrand abruptly dumped his popular prime minister, Michel Rocard, to name Edith Cresson as France's first female prime minister.

In foreign policy, the president has followed his successful military cooperation with the United States in the Gulf with some loud wrangling with Washington over lesser *matters, letting the French voters* perceive him as standing up to American arrogance.

The effect of these shifts is to move Mr. Mitterrand and his Socialists back to the left in the run-up to the crucial 1993 legislative elections. Whether the maneuvering carries any meaning beyond the tactical level is known only to Mr. Mitterrand, and probably not even to him now. He will decide that (and all other questions) only when he must.

Disregard the learned analyses of what the Cresson appointment means for economic and trade policies. It will mean what Mr. Mitterrand wants it to mean. The same holds for the new scratchiness in U.S.-French relations. Both shifts at this point are about politics, not policies.

Mrs. Cresson is known for her colorfully stated positions on the need for the state to protect industry from foreign competition. But she has been forced by Mr. *Mitterrand to give con*trol over economic and trade policy to Pierre Bérégovoy, the finance minister who has ruthlessly wrung inflation out of the French economy and fought against new government intervention in the economy.

"This is vintage Mitterrand, the prince of ambiguity," says a longtime presidential friend and admirer. "He sends two conflicting signals to dif*ferent audiences by one move and* lets them decide what it means. The markets and businessmen are supposed to believe in Bérégovoy, the workers in Cresson. The art is to keep both hopes alive into 1993."

Aside from the historical feat of *naming a woman prime minister*, Mr. Mitterrand chose Mrs. Cresson in hopes of gaining the Socialists a few precious additional percentage points from women voters in 1993. He also opens the way for a resumption of the Socialist electoral alliance with the small, beleaguered French Communist Party by dropping Mr. Rocard and thus ending a three-year flirtation by the Socialists with centrist forces.

But the hoped-for Edith Effect has been remarkably short-lived. Her initial speeches have fallen flat. Strikes in the public sector that started under Mr. Rocard intensify under Mrs. Cresson. Concern about law and order and immigration by North Africans spirals into the political stratosphere.

"The president has given this government an impossible assignment," says another Mitterrand observer. "He tells Cresson to satisfy the demands of the workers and keep their votes, while he tells Bérégovoy to fight inflation as *hard as ever. Both will do everything* they can to follow his orders. But how to reconcile those two things?"

The spirit of contradiction also hovers over the renewed wrangling with Washington over redesigning NATO and the future American political role in European affairs. While French troops performed ably and loyally in the war against Iraq, their dependence on U.S. logistics and in*telligence in a major conflict was un*derscored as never before.

Mr. Mitterrand emphasizes that the theological dispute over NATO's command did not interfere with France's readiness to fight beside U.S. troops in the Gulf. Ignore the political static and let me work things out — that is his unspoken message on both domestic and foreign affairs.

His record of creating and then managing uncertainty and ambiguity to his advantage is impressive. But tactical maneuvering leaves a slender legacy. The present climate in France recalls a remark that Raymond Aron made shortly before his death in 1983.

I had asked the conservative political philosopher if the French were really suffering under Socialist rule, which had turned out to be much less draconian or chaotic than conservatives had predicted. "The French, no," he said, pausing, "France, yes."

Political thunderbolts from "God" may keep the French distracted momentarily and the Socialists in power, but they will not help resolve France's fundamental problems.

The Washington Post.

Mideast: Clever but Failing

By Leslie H. Gelb

NEW YORK — President George Bush and Secretary of State James Baker have *secretly* offered Israel a de facto veto over Palestinian participants in a Mideast peace conference, and promised Israel that the United States would veto any United Nations efforts to dictate terms to the conference.

With such procedural assurances and a pot of tantalizing goodies, even Saudi aid (no kidding — see below), the Bush-Baker duo has been trying to entice Prime Minister Yitzhak Shamir to the negotiating table. So far they have been unsuccessful. Nor have they fared better with secret hints to Syria and Jordan of U.S. sympathy for Arab goals once talks begin.

But at least now, the strategy that the two Texans so carefully devised and veiled is becoming clear to Arabs and Israelis: Concede to Israel whatever necessary on conference procedures, and suggest to Arabs U.S. support for their ultimate aims.

This con game is floundering and is *bound to fail, for it rests on the doubt*ful assumption that master Mideast con men can be coaxed into unwanted negotiations through clever ambiguities and personal reassurances.

In essence, the United States is telling Israelis not to get hung up on how the conference will be organized and run, but to keep their eye on what should matter most to Israel — direct talks with and recognition by the Ar*abs. And it is urging Arabs not to* worry about procedural concessions to Israel, but to focus on long-standing U.S. backing for what should mean most to Arabs — land for peace and a comprehensive settlement.

Good theory, but to jump-start Mideast talks requires more than good arguments. It calls for rewards and penalties, like linking participation to aid and arms sales. It calls for *something dramatic to shake up the* encrusted politics of all parties, like simply issuing invitations to a conference and seeing who will show up.

The Bush-Baker strategy has been much more cautious, far too cautious. Its aim is to inveigle agreement by all *to procedures for a one-day confer*ence sponsored by Washington and Moscow, with the European Community and the United Nations as observers. Thereafter Israel would *talk* with a Palestinian-Jordanian delegation about the West Bank and the Gaza Strip, and Arab states and Israel would discuss arms control and economic development. The umbrella conference could not be reconvened without everyone's approval.

Initially, Mr. Bush and Mr. Baker hoped to line up all the Arabs and confront Israel, but that did not work. Local Palestinian leaders made helpful concessions, but President Hafez Assad of Syria and King Hus*sein of Jordan wanted a much more* prominent role for the United Nations and more power for the umbrella conference. It was thus easy for Mr. Shamir to make his objections.

So Mr. Bush rolled into his new strategy — procedural concessions to Israel and hints of support for Arab goals — dispatching personal letters to Mideast leaders three weeks ago. Mr. Assad still has not responded. King Hussein's answer arrived a few days ago and was described by administration officials as "unhelpful." Most administration officials took Mr. Shamir's response as a nasty no.

Mr. Baker tried to overcome Israel's problems with Foreign Minister David Levy last week in Washington. Don't worry about the United Nations, he said; the United States will block any UN interference with the conference. Don't fret about Palestinian issues, he said; the United States will give Israel a secret veto against Palestinians who are residents of East Jerusalem or have PLO ties.

Mr. Baker produced a surprise sweetener as well. The Saudis, he said, have agreed *to participate* in working groups on arms control and economic development with Israel and Arab states, and are prepared to provide Israel with development aid even before a peace settlement. (Yes, Yitzhak, there is a Santa Claus.)

Mr. Levy was said to be impressed with the array of concessions and eager to get on with the job. But now the United States has to wait on Mr. Shamir's legendary flexibility.

That leaves the scorecard on Mr. Bush's latest subtle strategy as no runs, no hits, three errors: no answer from Mr. Assad, *whining* from King Hussein and a no from Mr. Shamir until his next maybe and next no.

Advice to Mr. Bush: Get a less *subtle* strategy, one that kicks as well as coaxes the parties to the table — or stop wasting your time.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Women Sailors

PARIS — The British sailor is decreasing in numbers so rapidly that it has been proposed that his place be taken by stalwart young Englishwomen. The Englishwoman of the working classes is as strong as the average Lascar and is not rendered useless by cold weather. If women can become trapeze performers, they can do the small amount of climbing required. But who can prevent the look-out woman from flirting with the carpenter? And how are the male passengers to be prevented from falling in love with a sailor-girl and leading her to neglect the *sterner duties* of her profession? The proposal of manning our steamers with seawomen is at first sight an attractive one, but it is to be feared that it is not practicable.

1916: Firmer New Italy

ROME — The opinion of the Italian nation, as reflected by the newspapers, is favorable to the new Ministry which is being formed on the all-party basis and will give greater firmness to the country's resolve to carry on the war to a successful conclusion. The new Premier has sent a telegram to General Cadorna, Commander-in-Chief of the armies: "On assuming the Premiership I send my greetings to the great soldier who is leading Italy's soldiers to victory."

1941: Finland Prepares

HELSINKI — [From our New York edition:] War-torn Finland, fearful of being forced into an unwilling role in a new war, prepared for the worst tonight [June 19] by ordering up all reserves, suddenly promoting cadets to full-fledged officers and restricting rail travel to facilitate troop transport and other military moves. Finnish leaders are convinced that in the event of war between Germany and Russia, Finland probably will become involved. The Finnish people accepted the measures with outward calm and quietly obeyed the defense orders

OPINION

What Killed Old Rough and Ready?

By George F. Will

WASHINGTON — The dust of America's 12th president has been disturbed in a Louisville, Kentucky, tomb. A coroner and a forensic anthropologist are seeking to still or confirm speculation that Zachary Taylor, not Abraham Lincoln, was the first president to be assassinated. Whatever is learned in this investigation will serve human happiness by underscoring the lovely contingency of history.

If Taylor was deliberately poisoned, the foul deed most likely was done by Southerners angry about his opposition to expansion of slavery. If so, the plotters fell victim to the vagaries of things. They may have saved the Union by making more likely the failure of the South's eventual resort to arms.

Things could have been different. Choices and chance cannot be scrubbed from the human story.

President Taylor's condition in his final days was consistent with arsenic poisoning. If that occurred, traces of arsenic will be detectable in bits of hair, fingernails, bones and other tissues.

What happened on Thursday, July 4, 1850? What usually happens on July 4th, only more so. There was much speechifying. The country did not yet have major league baseball or MTV to entertain it. Rhetoric was popular entertainment. And that day, in 1850, the president was on hand at a ceremony at the unfinished Washington Monument.

It was a typical high-summer day in 19th century Washington — sunny, hot, humid and dangerous. Humidity is natural to this river town, and was even worse then, before the draining of the marsh that lay, breeding mosquitoes, where the Tidal Basin and Jefferson Memorial now are.

The danger arose from the nature of mid-19th century urban life, the abundance of horses and animals in the midst of human population, the absence of sanitation measures and scientific understanding that soon would produce public health advances concerning housing and food handling.

Orators did rattle on in those days, so Taylor broiled in the sun for several hours, refreshing himself with ice water, chilled buttermilk and cherries and perhaps other fruits and vegetables. Washingtonians had been told to avoid such things because the country was experiencing epidemics of Asiatic cholera.

That night Taylor was uncomfortable. The next day he worked a bit, but by Saturday his family was alarmed. An army surgeon diagnosed "cholera morbus," an elastic 19th century term denoting a variety of intestinal ailments. He died on July 9.

"Old Rough and Ready," as his troops affectionately called him, was the hero of the battle of Buena Vista in 1847. He was a Southerner who owned 140 slaves, but he was a strong-willed military nationalist who said he would personally take the field and hang secessionists.

Furthermore, he opposed the expansion of slavery. He said that if Congress passed the Wilmot Proviso, banning slavery in territories acquired from Mexico, he would sign it. Congress never passed it. If Taylor had lived, might it have?

When he died he was on the verge of sending to Congress a message demanding immediate admission of California and New Mexico as free states and settlement of a New Mexico-Texas border dispute in favor of the former.

Now, it is conceivable that had he lived, he might have cowed secessionists into permanent peaceableness. But it is much more likely he would have provoked secessionists, bringing on bloodshed.

Daniel Webster said at the time: "If General Taylor had lived, we should have had a civil war." America would have had it before another decade of growth of the North's strength through industrialism and immigration, and before the birth of a new political party that found a nation-saving leader in a former Illinois congressman who had opposed the war that had made Taylor a hero and hence president.

History is a rich weave of many threads. Many of them, if pulled out, could cause a radical unraveling, setting the past in motion as a foaming sea of exhilarating contingencies.

For more than a century we have been plied and belabored by various historicisms purporting to prove that what happened had to happen, that history is a dry story of the ineluctable working of vast impersonal forces unfolding according to iron laws of social evolution. People, the historicists say, are mere corks bobbing on powerful currents. This demoralizing doctrine denies the possibility, ultimately, of meaningful self-government, for individuals or nations.

That is why either way the Louisville investigation turns out — blame unsanitary cherries or blame unscrupulous opponents — Taylor's death tantalizes. It gives a glimpse of an always inspiriting prospect: possibilities, paths not taken. Things could have been different; choices and chance cannot be scrubbed from the human story; we are not corks; we matter.

The fate of a president 141 July Fourths ago whispers in the ear: "The river of history could have cut a different canyon."

Washington Post Writers Group.

Preserving the Species Will Pay Big in the Long Term

By Jessica Mathews

WASHINGTON — The Wall Street Journal has called it "the ultimate confrontation between medicine and the environment."

The New York Times warns that "recovery for sick people may mean death for the spotted owl."

The controversy could make earlier American battles over endangered species and habitats look tame.

This time the subject is a drug called taxol. The head of the U.S. National Cancer Institute says it is the most important new cancer drug in 15 years.

Taxol has been shown to fight ovarian, breast and lung cancer, although it is only beginning to be tested.

MEANWHILE

The difficulty is that taxol comes from the bark of the Pacific yew, a rare tree found in endangered, ancient forests. It is a complex molecule that so far has stymied chemists' best efforts to synthesize it in the lab. A breakthrough might be around the corner or years away.

The Pacific yew is a slow-growing, shade-loving tree, and that makes it a poor candidate for plantations devoted to producing the drug. This leaves the natural forests as the only source of taxol for the indefinite future.

But the yew grows sparsely, and six 100-year-old trees are needed to treat one patient. Harvesting enough for the vast potential market, at an affordable cost, could mean clear-cutting all the remaining ancient forests in the American Northwest.

And even then, there might not be enough taxol to meet the demand.

On first glance, the story seems to pose a stark ethical choice between human and other forms of life. If so, there would be only one acceptable answer.

But in fact, the taxol dilemma is not really about ultimate values. It is actually about waste, sound resource management, the value of bio-diversity and the blinkered human habit of favoring short-term gain over long-term yield.

Ironically, the people who may most threaten the supply of the drug are not environmentalists trying to prevent the cutting of ancient forests but the managers of these public lands.

Until now, loggers have treated the Pacific yew as a trash tree, ripping it out and burning it along with other underbrush. Although taxol's potency was established in 1989, the Forest Service has been slow to respond, trapped by a mind-set that prizes lumber above all other forest products and services.

Almost 2 billion board feet of ancient forest timber is under contract to be cut this year and next, yet it took intense pressure from environmental groups to finally produce a government moratorium on burning yews just two months ago.

Only now is the Forest Service proposing an inventory to discover how much yew is in the forests and where.

Scientists estimate that, worldwide, 50 species become extinct each day. At that rate, in 25 years we will eliminate 10 to 15 percent of the planet's biological wealth. Biologists tear their hair out over this, for it represents a rate of loss that probably has only a single precedent in the planet's 4 billion year history.

That was the hypothesized meteorite crash 65 million years ago that plunged Earth in darkness and wiped out the dinosaurs in a few years. Otherwise, mass extinctions take place over millions of years, not decades.

To those who catalogue it, today's loss is a catastrophe that will impoverish future generations in ways beyond reckoning. E. O. Wilson of Harvard University calls it "the folly our descendants are least likely to forgive us."

Yet because the numbers are uncertain, and the disappearances are gradual and largely invisible, loss of biological diversity remains just another unaddressed problem on an overcrowded list.

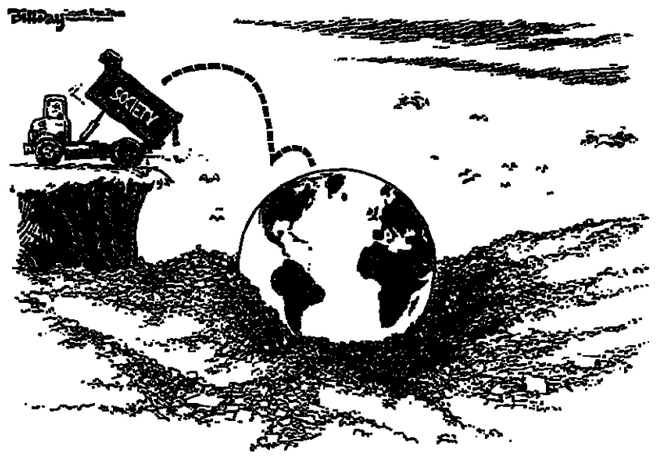
Slowing the loss requires first of all that we preserve viable fragments of as many habitats and ecosystems as possible. Only 10 percent of America's old-growth forests remain. Had they been cut a bit faster, taxol might never have been discovered.

Next, it is essential to find out more about what is being lost. Most of the world's species are unidentified, let alone screened for possible uses. Taxol was discovered in one such screening effort, but only a tiny fraction of species have been looked at and only for an even tinier portion of their potential value.

Many species will have no direct human use but will turn out to be essential to the survival of others that do. Some species can disappear with little impact, but by and large ecosystems are stunningly interdependent networks of plants and animals. The formula for balancing immediate human needs with environmental values and long-term human well-being is, therefore, to save, study and use — not use up now, rue later.

There will be some collisions, but a policy that puts a high value on preserving bio-diversity will in the long run preserve more options than it forecloses.

The writer, vice president of the World Resources Institute, contributed this comment to The Washington Post.



LETTERS TO THE EDITOR

A Palestine Formula

Israel will not give up the "occupied territories" because they are part of its historical lands and because doing so would seriously weaken its defense.

The Palestinians want to establish a new state on the West Bank, in Jerusalem, in Gaza, with a corridor linking these territories.

These claims are mutually exclusive, and no international conference will change that, as Secretary of State James Baker has found out after probing every possibility.

I have no particular axe to grind. I am neither Jewish nor Muslim nor of Arab background. I have never been in the Middle East except for short stopovers. But I should like to suggest an alternative solution: a Palestine established in Gaza and the Negev, to be handed over by Israel in exchange for sovereignty over the West Bank. This would offer about 10,000 square kilometers to Palestine in exchange for 5,100 on the West Bank. Palestine would then have 40 kilometers of coastline on the Mediterranean and the Red Sea.

This new state would be even less able to stand on its own feet than Lebanon, Jordan or Israel. An economic community would be formed of these four countries. Its capital would be Jerusalem. King Hussein of Jordan would be offered the first presidency of this community.

A Jerusalem Development Bank would be formed among these four countries and the United States and Saudi Arabia, to be jointly managed by donors and beneficiaries.

ANTOON PENNINGS.
Javea, Spain.

Words vs. Deeds

In response to the report "High Court to Decide on Curbing Hate Crime" (June 11) by Ruth Marcus:

Burning a cross on a black family's lawn is trespass. Painting a swastika on a synagogue wall is vandalism. Shouting racial epithets in a college courtyard is disturbing the peace. All of these acts are against the law in America and have been for centuries. People go to jail for committing such acts. Freighting the acts with racial or religious motivation amounts to infringing on freedom of speech and press.

Disagreeable though it emphatically is, we who live in a democratic society are obliged to tolerate bigotry in speech or print. It is the price we pay for our own freedom. We were taught this in high school civics class. A lot of well-meaning people appear to have forgotten it.

ADDISON VOUGHT.
Paris.

Cable Cars and Decibels

Regarding "San Francisco's Cable Cars" (American Topics, April 15):

The item incorrectly states that San Francisco's cable cars are "noisier than ever." Quite the contrary, they are quieter than ever.

Because of our own concerns, and those of Richard and Norma Garcia-Kennedy, who live on the cable car route, a task force consisting of city engineers and a noise consultant was established to evaluate the noise problem. The study cost over $100,000 and led to a reduction of at least 10 decibels in cable car noise at Hyde and Chestnut Streets. The current noise levels at this location are now lower than at any other time since 1985, when noise readings were first recorded.

As a benefit to the residents of all neighborhoods along the lines, it is the intent of Muni — as local people call the San Francisco Municipal Railway — to incorporate these noise-reduction design changes throughout the system. Our engineers advise us that they are not certain that it is possible to reduce the noise below current minimums.

Cable cars are alive and well in San Francisco. As always, they await the good spirits of millions of tourists from around the world.

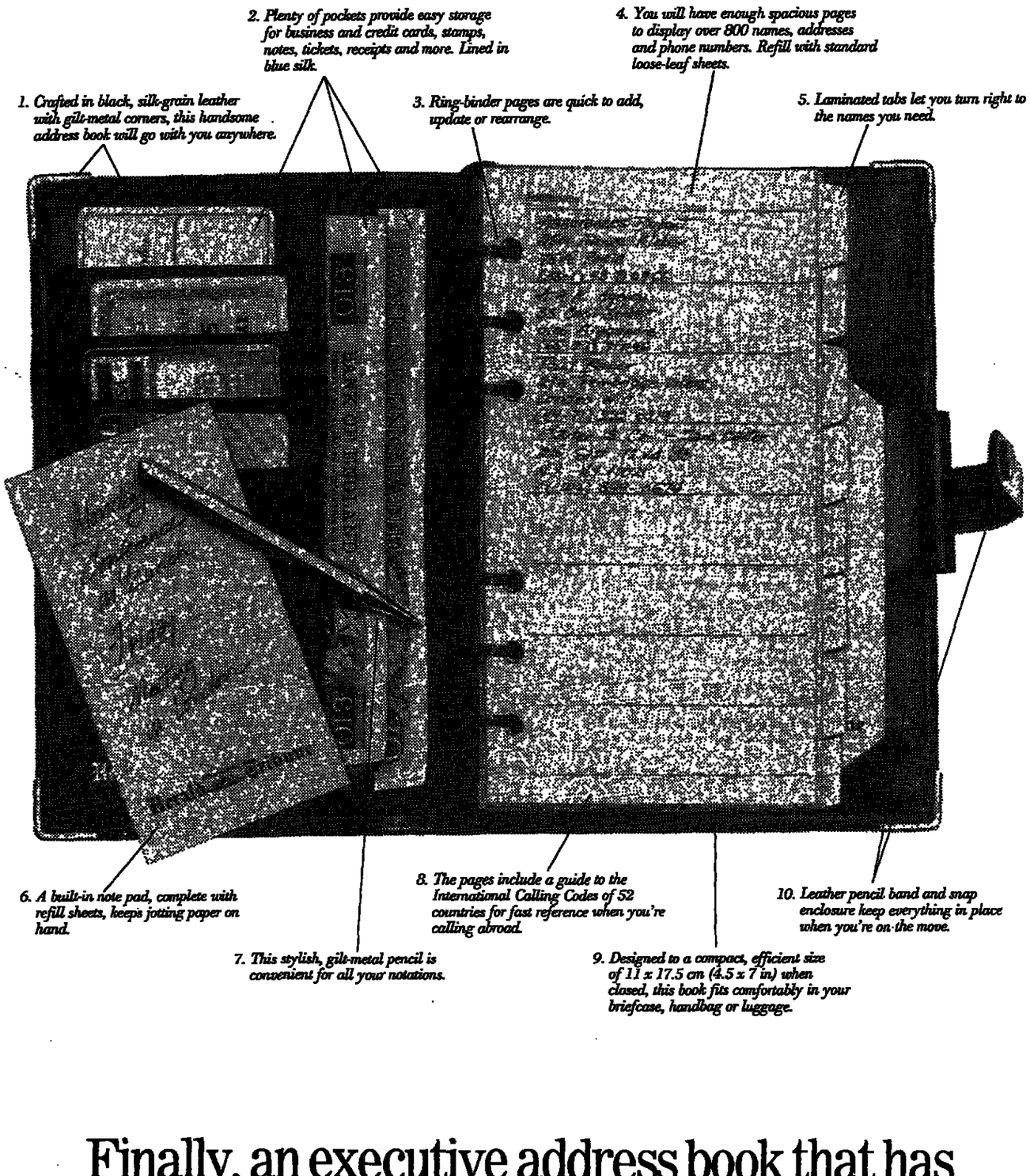
JAIMIE R. LEVIN,
Community Affairs Director.
San Francisco Municipal Railway.
San Francisco.

Richard and Norma Garcia-Kennedy reply: Mr. Levin's misstatements are typical of the position Muni has taken since it created the noise problem. Countering his claim are at least 50 residents who live near the installations and who signed petitions objecting to the new and dramatic noise increase. The problem arises because the city initially raised the noise dramatically. Mr. Levin appears to be using the defense: "But officer, I reduced my speed by 10 miles an hour." What he does not tell you is that he was doing 130 miles an hour before.

Spoiling the Show

André Agassi plays tennis like a dream. He has a handsome face and a sympathetic smile. Why does he have to spoil good looks with stringy hair and sloppy clothing?

SUZY PATTERSON.
Paris.



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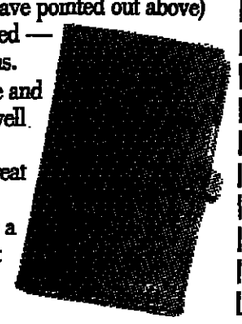

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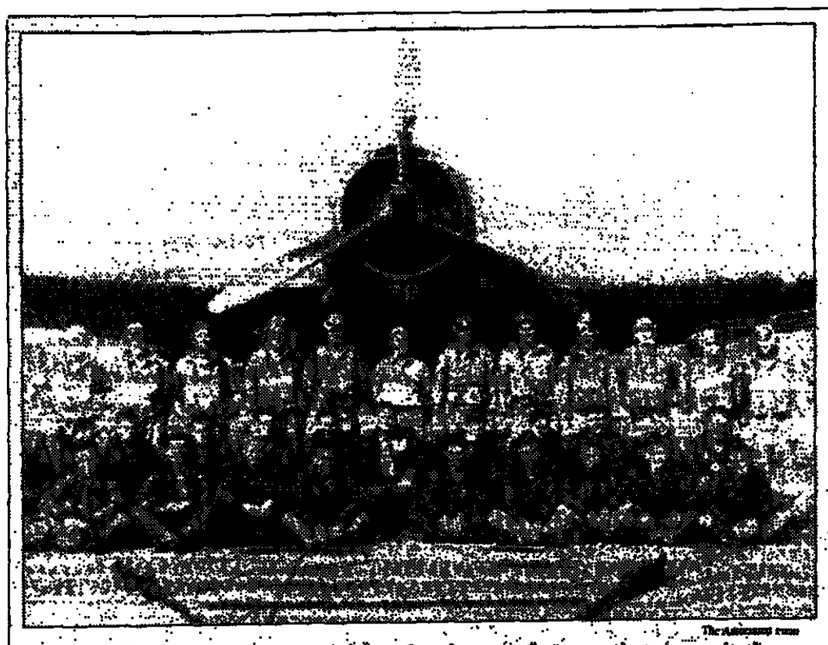

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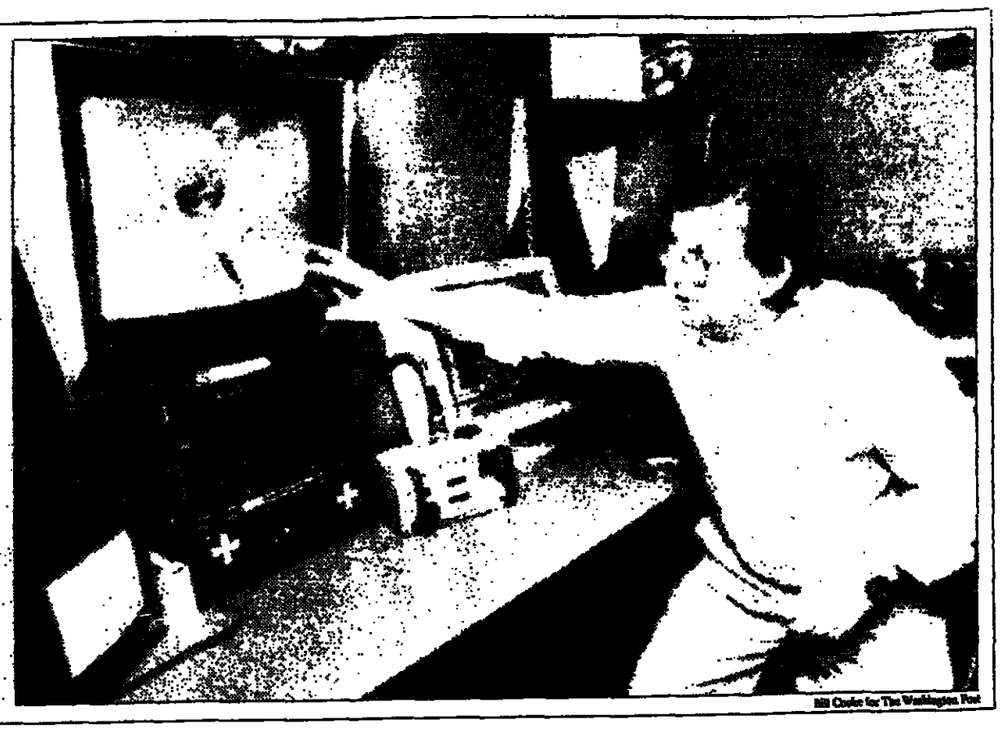

Bill Clarke for The Washington Post

Graham Hawkes viewing tapes of navy bombers on the ocean bottom and, above, the Lost Squadron's lead plane photographed six months before it disappeared.

It's Gold Rush Time in the Bermuda Triangle

By Laura Parker
Washington Post Service

MIAMI — Graham Hawkes is finally back where he belongs this week, combing the ocean bottom off Florida in search of sunken Spanish galleons.

He believes there might be as many as 30 galleons beneath the Gulf Stream, which the Spanish vessels rode before turning east from Florida to cross the Atlantic. Until recently, when he and others developed the technology to probe more deeply, those wrecks and their cargoes were unreachable. No longer.

That's what Mr. Hawkes was looking for when he stumbled across another watery mystery last month and suddenly found himself swept up in a vortex of publicity and tales of aliens and Atlantis.

On May 2, he spotted the encrusted remains of a World War II torpedo bomber 600 feet below the surface. By May 4, four other planes had appeared on the sonar, and it briefly seemed that Mr. Hawkes and his crew had found the so-called Lost Squadron, a patrol that mysteriously vanished 45 years ago and spawned the legend of the Bermuda Triangle.

Mr. Hawkes is an engineer who considers himself an explorer and researcher, rather than a crass treasure hunter. But before he knew it, he was besieged by tabloid reporters, fortune seekers, Hollywood scriptwriters and believers in myths about supernatural forces devouring ships and airplanes in the Bermuda Triangle.

By the time it was over, Mr. Hawkes had been contacted by a man who offered to split a 12-foot solid gold Buddha statue with him if he would use his equipment to locate it in the Pacific. Another suggested a search of the Red Sea to find where it parted when Moses led his people out of Egypt. The promoter urged Mr. Hawkes to consider the booty he would recover: historical swords and weapons swallowed up with the pursuing pharaoh's army.

There was also a seemingly lucid caller who provided a detailed description of the lost continent of Atlantis, a tip on how to spot it and a warning that, when his compasses began to spin, it would be too late.

Even the questions from the media grew curiouser and curiouser. He was approached by a television reporter who asked: "Is the worst of the danger over now?" "Danger?" he replied wearily. "For us or the airmen?"

Lost in the hype was the real significance of the discovery. That he found the planes at all in an area that had been combed for years by treasure hunters signals the dawning of a technological revolution that has changed the nature of undersea exploration. The airplanes lie upright in 600 to 800 feet of water, just 18 miles off Fort Lauderdale. But the ability to see them did not exist until recently.

"A lot of valuable stuff has been lost in the ocean," Mr. Hawkes said. "Until the last few years, it was as if it was sent into outer space. There was no access to it, period. Now everything we want to find is going to be found in the next 10 to 20 years. There's going to be a gold rush in the ocean."

The 42-year-old engineer, born and schooled in London, had aspired to design airplanes. He yearned for the pioneering days when you could design one and build it in your backyard. By the time he was a university student in the 1960s, aviation had so advanced that engineers were destined to spend their careers perfecting obscure parts of modern jetliners.

He turned to the sea. Undersea exploration seemed to be frozen at about 1920. The oil industry, pushing its search ever farther offshore, provided the economic impetus. Its options were limited to aqualungs, with severe depth limits, or bathyspheres, cumbersome and requiring time-consuming and dangerous decompression. So Mr. Hawkes became one of a small number of entrepreneurs who filled the void, designing advanced diving suits and robot cameras. When the oil industry collapsed, he had to seek out new markets for his equipment. Thus it was that he found himself off the coast of Florida last year, backed by a group of Wall Street investors, combing the ocean floor in his research vessel, Deep See, for sunken treasure.

HE won't speculate on how much gold might litter the ocean floor in the zone he is searching. He won't even describe where he has searched, except to say that he and his six-member crew have scouted more than a thousand square miles (more than 2,500 square kilometers) — more ocean, he says, than the government scanned in its 1986 search for the wreckage from the space shuttle Challenger.

There is so much debris on the ocean floor that Mr. Hawkes's sonar finds something worth examining every four hours. So he wasn't too surprised when the Deep See picked up the first airplane. He flew in the underwater robot video camera, attached to a winged base, for a closer look. It was an Avenger, easily identified by the spherical gun turret at the rear of the canopy.

But when the fifth Avenger appeared on the sonar, Mr. Hawkes's mood had changed. Five Avengers, clustered upright within a 1.2-mile radius, suggested that they had gone down together. Identifying numbers on some of the planes were still readable; one appeared to match the number of the Lost Squadron's lead plane. The U.S. Navy lost 139 Avengers in training missions, but had only one report of five going down together.

"If you started adding up the coincidences — the number, the grouping, the type — the circumstantial evidence was pretty powerful," he said.

The five Avengers took off on Dec. 5, 1945, from the Fort Lauderdale Naval Air Station and disappeared during a routine three-hour training mission. And so the legend began.

Over the last 45 years, the squadron has been immortalized in books and in supermarket tabloids. One of the most fantastic theories suggested the planes had been kidnapped by UFOs, a hypothesis Hollywood found irresistible. In "Close Encounters of the Third Kind," the Lost Squadron's airplanes are found in a stretch of desert, and the missing airmen are returned to Earth by a spaceship.

That was fantasy. The reality — a conclusion reached not only by Mr. Hawkes but by many others who studied the pilots' final messages — is that the Lost Squadron was literally "lost." The squadron leader, leading a group of trainees, made a fatal error, turning away from the Florida mainland when he thought he was turning back toward it.

"It's as simple as that," Mr. Hawkes said.

The patrol is thought to have ditched together in the water when the first of them ran out of fuel, which is why, when Hawkes found a cluster of five Avengers he thought he might have the right planes.

BUT he hadn't. Navy records revealed that the discovered Avengers were five of a total of eight bombers lost during low-level practice bombing runs off Fort Lauderdale between 1943 and 1945. They were grouped together probably because the practice missions used the same barge as a target, and planes that crashed would tend to plunge into the same area of water. So the Lost Squadron may remain a mystery.

To Mr. Hawkes, the only mystery of the Bermuda Triangle is its unpredictable weather. As he continues to sweep the ocean bottom, he sees the wreckage from great sailing vessels caught off Florida by violent storms.

"The weather here is dishonest," he said.

In the end, it seemed fitting to Mr. Hawkes that he had not discovered the Lost Squadron. For all those who hoped that he had, he met an equal number devastated by the disproving of the legend of the Bermuda Triangle.

"People would rather there really was a Loch Ness monster and a Bigfoot, and supernatural forces at play the Bermuda Triangle," he said with a shrug. So when he sent his report to the investors in New York, he added a footnote:

"To those who fostered the mystery of the Lost Patrol, the plot is now deepened."

Warning: Take Sun With Care

Here Are Some Rules To Save Your Skin

By Jane E. Brody
New York Times Service

NEW YORK — Sunshine is two-faced: beautifying but blemishing, soul-restoring but health-robbing, life-giving but potentially deadly. People addicted to it have been slow to show more respect for its power.

As a result, the addition of "too tan" to the Duchess of Windsor's byword "You can't be too rich or too thin" is exacting an ever-worsening toll. About 600,000 cases of skin cancer, 90 percent of them caused by sun exposure, will be diagnosed this year in the United States alone.

Malignant melanoma, the deadliest form of skin cancer, is rising faster than any other cancer. It is now the leading cancer afflicting women in their late 20s, and the second-leading cancer (after breast cancer) among women in their early 30s. Rates of the less lethal forms of skin cancer — basal cell and squamous cell carcinoma — are also rising.

While many people buy sun screens and two-thirds of Americans believe they prevent cancer, only 8 percent routinely use them whenever they expect to "catch some rays." Many myths and misconceptions stand in the way of more effective use of these potentially life-saving products.

Sun can damage skin any time of the year and at most hours of the day, but it is especially dangerous between 10 A.M. and 2 P.M. in summer, when the intensity of ultraviolet (UV) radiation peaks in the Northern Hemisphere.

Two UV components cause trouble: UVB, the so-called burning rays, which damage the surface layer of the skin and raise the risk of skin cancer, and UVA, the so-called slow-tanning rays, which penetrate deeper layers of skin, make it leathery and wrinkled and may interfere with the ability of skin cells to repair UVB damage.

AS pollution attacks the protective layer of ozone that surrounds the earth, more and more UV radiation reaches the Earth's surface. At current rates of ozone destruction, the incidence of skin cancer is expected to increase by 50 percent by the year 2040. UV exposure is greater at higher altitudes, increasing by 4 percent for every 1,000 feet above sea level. The rays penetrate a light cloud cover, loosely woven clothing and wet T-shirts.

UVB is blocked by window glass, and not enough UVA gets through glass to produce a tan. However, skin can be damaged by UV radiation reflected by sand, water and snow. It is also vulnerable to the radiation used in tanning salons, where the amount of UVA is up to 200 times as high as in natural sunlight.

Anyone, no matter how dark, can get skin cancer. But the brown pigment melanin in the skin surface absorbs some of the damaging rays, protecting underlying cells. Thus, black Americans have only one-twentieth as many skin cancers as whites, and Hispanic Americans get one-sixth as many skin cancers as non-Hispanic whites.

People who tan readily (without freckling) are less susceptible than people who always burn, but having a dark tan does not prevent sun damage. Freckling represents the skin's futile effort to protect against sun damage, and, after a family history of melanoma, it is the leading risk factor.

Dermatologists have rated skin types as to their degree of susceptibility to cancer. Those with "white" skin, blue eyes, red hair and/or freckles are most vulnerable and should never to go in the sun unprotected. But even blacks should wear protective clothing or use sun screen for an hour or more of intense sun.

Those who suffered one or more blistering sunburns during childhood or adolescence have twice the average risk of developing melanoma, according to a study at Harvard Medical School.

See a dermatologist without delay if you notice any of these lesions, which could be skin cancer: a raised smooth lesion with a central indentation that is pinkish and bleeds easily; a sore that won't heal or looks crusted; a new pigmented growth, or an old mole that becomes asymmetrical, develops irregular borders and is a mix of colors.

Sun screen products are rated by an SPF (for Sun Protection Factor) number. Loosely speaking, it represents the degree to which the product blocks UVB radiation. Multiply by the SPF number to estimate how long you can be in the sun without burning.

IF you would ordinarily get "pink" in 20 minutes and you use a product with SPF 10, you could, theoretically, be out for 200 minutes before you turn pink.

Why theoretically? Because many unpredictable factors influence the protection you get from sun screen: when and how thickly you apply it, how much you perspire, whether and how long you swim, whether the product is "water-resistant" or "waterproof," how old it is and whether it has been stored in a hot or sunny place.

You should apply sun screen at least 30 minutes in advance of sun exposure to assure its effectiveness. It is a chemical, not a mechanical, barrier that must react with the skin before it can protect it.

Use about one ounce of product to cover a scantily attired body. Regardless of the SPF rating, reapply the product every two or three hours and more often if you sweat heavily or swim and towel dry, even if you use a "waterproof" product.

A reapplication does not extend the time you can safely stay in the sun. Between exposures (say, overnight) your skin repairs the sun damage, so the next sun-screened outing gives you a fresh start.

Products with an SPF of 15 are adequate for all but the most ultrasensitive skin. There is a protective difference of only 3 percent between SPF 15 and SPF 30, said Dr. Darrel S. Rigel, a dermatologist and melanoma specialist at New York University Medical Center.

Sun screens themselves can cause adverse skin reactions, Dr. Rigel noted. About 7 percent of people are allergic to PABA (para-aminobenzoic acid) and its derivatives, including padimate-O and padimate-A, that block only UVB and are the leading sun screen ingredients. About 1 percent are allergic to the benzophenones, like oxybenzone, which partly block UVA.

If you develop a rash, itch or tingle after exposing your sun-screened body to the sun, check the ingredients and look for a product without the likely culprit, for example, one that uses a cinnamate instead.

Behind the Scenes At AIDS Meeting

Bitter Clashes Punctuate Proceedings

By Malcolm Gladwell
Washington Post Service

FLORENCE — The war against AIDS, if the International AIDS Conference here is any guide, is as much a battle of personalities as it is a medical and scientific campaign.

For example, the French scientist Dr. Daniel Zagury Tuesday weathered an unusual series of attacks from the organizers of the conference. Late Monday, in perhaps the opening day's best-attended and most-anticipated session, Dr. Zagury had presented the results of a trial involving his new and previously untested concept of a two-stage vaccine for treating HIV-infected patients. Dr. Zagury showed that a year after vaccination, progression disease had stabilized in six people.

By Tuesday morning, however, the conference organizers had issued a press release calling Dr. Zagury the "enfant terrible of vaccine research," his ideas "original, although slightly confused," and the vaccine he was administering to his patients "the dubious concoctions of a witch."

Later, in the daily newsletter published by conference officials, Dr. Zagury was reported to have "admitted defeat" and discontinued his human vaccine trials after reports that three of his volunteers, all HIV patients in advanced stages of AIDS, had died, apparently because of a improperly prepared vaccine. The story did not quote Dr. Zagury directly. But it did quote Dr. Zagury's arch-rival, co-discoverer of the AIDS virus Dr. Luc Montagnier as saying "the ban is right. We have to stop these trials."

Dr. Zagury, however, said the report was not true and that he had simply stopped using the type of vaccine that had caused the problem. And Dr. Montagnier, in an interview Tuesday, said he hadn't seen Dr. Zagury's presentation and wasn't familiar enough with the work to be able to judge whether it had any promise.

In another incident, the prominent San Francisco-based AIDS activist group Project Inform issued a strongly worded statement calling for an end to the "harassment and misinformation campaign" against Dr. Robert Gallo, the colorful and controversial U.S. co-discoverer of the AIDS virus.

Referring to the long-running dispute between Dr. Gallo and Dr. Montagnier over who did what when in discovering the AIDS virus, and the 3-year-old investigation of Gallo and his laboratory by Chicago Tribune reporter John Crewdson, the group called on all sides to cease and desist.

"AIDS patients in the United States strongly feel that this dispute is a terrible waste of time which threatens the pace of research," the group's director, Martin Delaney, said. "Enormous amounts of time have already been wasted in the Gallo laboratory reconstructing events in response to the investigations provoked by Mr. Crewdson. None of these efforts in any way benefit AIDS patients or the search for a cure, and we call upon all parties, including Dr. Gallo, Dr. Montagnier, and Mr. Crewdson to end this ludicrous debate."

Responding to the release, Dr. Montagnier said he agreed and that "from the French point of view this is finished." However he said it wasn't he who had kept the debate alive, but Dr. Gallo. "This could have ended a long time ago," said Dr. Montagnier, who has been outspoken in recent weeks in the French press on the issue of who was first to discover the AIDS virus.

CONFERENCE BRIEFS

Compiled by Our Staff From Dispatches

MEN who hide their bisexuality from female partners are responsible for many AIDS cases where health workers are baffled by how the virus was transmitted, researchers have concluded. They said this could pose increased risks of getting AIDS for women.

"We are persuaded that the bisexual man is a significant, though underrecognized, link for the transmission of HIV" between infected men and women, the social demographer Robert E. Kennedy Jr. reported to the International AIDS Conference.

Other developments:

● The annual cost of treating AIDS-infected patients in the United States will almost double over the next three years to $10.4 billion, a researcher told the conference. Fred Hellinger, director of the U.S. Department of Health and Human Services financing division, told delegates that the United States will spend $5.8 billion on treating AIDS victims this year and the amount will rise by 21 percent annually between 1991 and 1994.

● Prostitutes in Paris suburbs are taking insufficient precautions against AIDS, a French researcher said. "It's very worrying. The suburb women are often drug users who need the money, and they have the potential to become a big cause of AIDS spread," Lydia Braggiotti said. She said her government-funded study showed that only half the prostitutes in Paris suburbs used condoms with regular clients, against 63 percent in the Pigalle area of the French capital.

● A key sponsor of the conference has added its voice to those calling for cancellation of next year's meeting in Boston if the United States fails to lift a ban on foreigners infected with AIDS. The annual conference's two main sponsors are the United Nations' World Health Organization (WHO) and the American International AIDS Society (IAS).

"The IAS will remove its endorsement of the 1992 conference if border controls are not lifted," Dr. Paul Volberding, IAS president, told reporters. Last month, Michael Merson, head of the WHO's Global Program on Aids, said WHO participation in Boston would depend on whether the U.S. lifted the ban.

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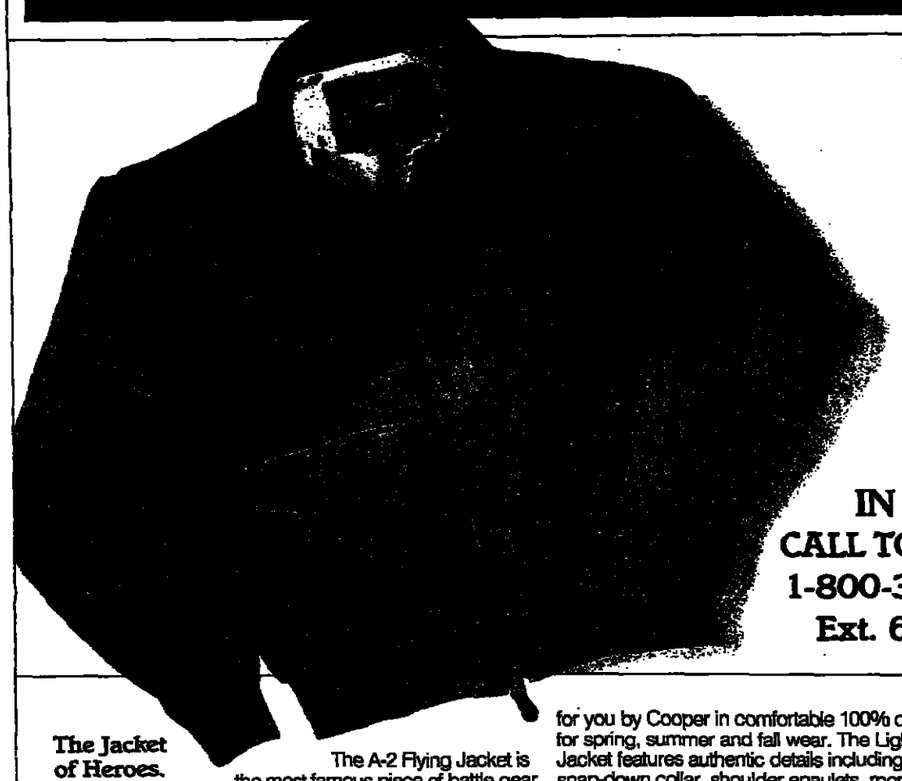

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INTERNATIONAL MANAGER

Good Company Day Care Is Worth Caring About

By Claudia H. Deutsch
New York Times Service

NEW YORK — The Lego Creative Childcare Center, with its kid-sized entrances and a facade that seems built out of giant Lego bricks, looks like a rich kid's playhouse. But it's run like a serious school. Five-year-olds attend classes in music appreciation.

Toddlers dress up and give plays. Eight-year-olds who come in after school can program computers to run motorized models of factory conveyor belts. For these older children, there is also a quiet place to do homework, as well as instructors to help them if they need it.

"We wanted to give our employees more than a safe place to dump a child," said Peter Eio, president of Lego Systems Inc., the U.S. unit of the Danish toy maker Lego System A/S, which opened the center for children up to age 12 in October. "We wanted a place where the children could feel engaged."

> 'More than a safe place to dump a child.'

Most companies are still grappling with how best to provide sanctuary for preschool and latchkey children. But a handful are spurning custodial care in favor of "educare," the term coined for day care with an educational component.

"Companies are saying, if we are going to be involved in day care at all, let's show we care about quality," said Mary C. Mattis, a vice president of Catalyst, a New York research group.

The trend is young, but growing. Ellen Galinsky, co-president of the Families and Work Institute, a New York-based research group, says more companies are restricting grants and subsidies to day-care providers that are accredited by the National Association for the Education of Young Children, a Washington-based educators' organization that certifies programs that stimulate children, rather than just supervise them.

"Companies are beginning to understand that child care is this country's early education system," she said.

EDUCATORS SAY it is about time. "Keeping children stimulated rather than just controlled is essential in developing their capacity to learn," said Ernest L. Boyer, head of the Carnegie Foundation's Center for the Advancement of Teaching.

To a certain extent, companies are responding to the clamor of educators. But they are also responding to employees' demands.

After a survey showed that more than 30 percent of its employees thought available day care was inadequate, Du Pont Co. set aside more than $200,000 as incentives for day-care-centers to go after educational accreditation. "Our employees wanted us to tackle quality as well as availability," said Faith A. Wohl, Du Pont's director of work-force partnering.

For some companies, providing educationally enriched day care is not enough. They are providing actual schools.

Honeywell Inc.'s Space Systems Group in Clearwater, Florida, the American Bankers Insurance Group in Dade County, Florida, and Target Stores in Minneapolis have built satellite schools on or near their premises, to teach kindergarten through second grade to employees' children. The school district pays the teachers; the companies maintain the buildings.

In most cases, the schools were a response to pleas from school districts to help solve overcrowding and underfunding. But the schools also provide pluses for employees. They can visit their kids during the day. And they can influence curricula.

Parents at Target Stores persuaded the school district to use Montessori teaching methods in the company's school.

Companies report that staff fathers respond as enthusiastically as mothers to enriched day care. In March of 1990, the Honeywell Space Systems Group announced new day-care programs, all stressing scientific experiments and other forms of learning.

"The day I announced the program, one of our engineers stopped me," said Charles S. Peters, manager of human resources administration. "He said he had been about to accept a job offer, but because of these programs, he wasn't going to leave."

CURRENCY RATES

Cross Rates

June 19

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.021	3.2925	1.1265	0.3313	0.1512 *	—	5.473 *	1.3092	1.4415 *	1.77	1.788 *
Brussels	37.17	60.2875	20.580	6.055	2.765 *	18.274	—	23.9325	0.2645	32.5175	32.725 *
Frankfurt	1.8007	2.92	—	0.2943	0.1343 *	0.8878	4.86 *	1.1634	1.2855 *	1.5601	1.589 *
London (a)	1.623	—	2.9225	9.9345	2,175.50	3.2908	60.13	2.5144	228.785	1.8621	184.33
Madrid	113.692	183.780	62.917	18.587	8.449 *	55.854	3.0571	72.172	80.878 *	99.408	—
Milan	1,347.50	2,173.75	744.80	219.84	—	660.36	36.177	866.58	9.571	1,178.40	11.83
New York (b)	—	1.6345 a	1.7908	6.0905	1,334.50	2.017	36.85	1.5385	140.155	1.1429	113.15
Paris	6.152	9.9285	3.3999	—	0.4566 *	3.0183	0.1652	3.9541	4.3889 *	5.3815	5.403 *
Tokyo	140.95	226.30	77.40	22.78	0.1041	68.72	3.7617	88.92	—	123.40	1.2327
Toronto	1.143	1.8689	0.6387	0.1878	0.857 *	N.A.	3.18 *	0.7429	N.A. *	—	1.012 *
Zurich	1.543	2.5146	0.8603	0.2531	0.1155 *	0.7642	4.1621 *	—	1.101 *	1.3501	1.3965 *
1 ECU	1.1229	0.7021	2.0889	6.9731	1,537.21	2.3182	42.3077	1.7634	159.541	1.2954	129.033
1 SDR	1.3892	0.8117	2.3746	8.0542	1,764.42	2.6606	48.7644	2.0378	194.532	1.4920	149.197

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9968.0	Greek drac.	197.55	Mex. peso	3017.50	S. Afr. rand	2.89
Austral. $	1.3053	Hong Kong $	7.724	N. Zealand $	1.7341	Soviet ruble*	0.6066
Austr. schill.	12.61	Indian rupee	21.186	Norw. krone	7.006	Swed. krona	6.547
Brazil cruz.	381.40	Indo. rupiah	1948.00	Phil. peso	27.46	Taiwan $	27.21
Chinese yuan*	5.3683	Irish £	0.6793	Port. escudo	159.45	Thai baht	25.79
Danish krone	6.9845	Israeli shek.	2.3386	Saudi riyal	3.75	Turkish lira	4208.01
Egypt. pound	3.2826	Kuwaiti dinar	3.40	Sing. $	1.786	UAE dirham	3.672
Fin. markka	4.2925	Malay. ring.	2.786	S. Kor. won	725.50	Venez. boliv.	55.66

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6062	1.5996	1.5936	Canadian dollar	1.1440	1.1483	1.1503
Deutsche mark	1.8145	1.8189	1.8236	Japanese yen	141.03	141.23	141.41
Swiss franc	1.5586	1.5614	1.5639				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

June 19

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	5 15/16-6 1/16	8 15/16-9 1/16	8-8⅛	11 5/16-11 7/16	9⅛-9¼	7⅞-8	9⅞-10	7 1/16
2 months	6-6⅛	8⅞-9	8-8⅛	11 3/16-11 5/16	9⅛-9¼	7 13/16-7 15/16	9⅞-10	7⅛
3 months	6 1/16-6 3/16	8 15/16-9 1/16	8-8⅛	11⅛-11¼	9 1/16-9 3/16	7 13/16-7 15/16	9⅞-10	7⅛
6 months	6 1/16-6 3/16	9 1/16-9 3/16	8-8⅛	10 15/16-11 1/16	9 1/16-9 3/16	7⅝-7¾	9⅞-10	7⅛
1 year	6 5/16-6 7/16	9⅛-9¼	7 15/16-8 1/16	10 13/16-10 15/16	9⅛-9¼	7 ½-7⅝	9⅞-10	7 3/16

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

June 19

	Close	Prev.
United States		
Discount rate	5½	5½
Prime rate	8½	8½
Federal funds	5 11/16	5¾
Com paper 90-179 days	6.00	6.05
3-month Treasury bills	5.55	5.62
6-month Treasury bills	5.73	5.77
1-year Treasury bills	5.94	5.98
30-year Treasury bond	8.51	8.52
3-month CD's	5.70	5.70
6-month CD's	5.80	5.80
Japan		
Discount rate	6.00	6.00
Call money	7 15/16	7 29/32
1-month interbank	7 25/32	7 13/16
3-month interbank	7 25/32	7 11/16
Germany		
Discount rate	6½	6½
Lombard rate	9.00	9.00
Call money	8.80	8.80
1-month interbank	8.90	8.90
3-month interbank	9.00	9.10
6-month interbank	9.10	9.10
Britain		
Bank base rate	11½	11½
Call money	11 11/16	11 11/16
3-month interbank	11 5/16	11¼
6-month interbank	11 1/16	11⅛
France		
Intervention rate	9.00	9.00
Call money	9⅝	10.00
1-month interbank	9 11/16	9 13/16
3-month interbank	9⅝	9 13/16
6-month interbank	9 11/16	9 13/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

June 19

1 month	6-6⅛
2 months	6-6⅛
3 months	6 1/16-6 3/16
6 months	6 1/16-6 3/16
1 year	6¼-6⅜

Source: Reuters.

U.S. Money Market Funds

June 19

Merrill Lynch Ready Assets
30-day average yield: 5.46
Telerate Interest Rate Index: 5.965
Source: Merrill Lynch, Telerate.

GOLD

June 19

	A.M.	P.M.	Ch'ge
Hong Kong	368.25	367.95	-1.40
Luxembourg	367.25	—	-0.50
Paris (12.5 kilo)	363.90	364.02	-1.57
Zurich	367.75	367.85	-2.41
London	367.30	367.40	-3.85
New York	—	368.25	+0.30

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Mini Disk Represents Big Risk for Sony

By David E. Sanger
New York Times Service

TOKYO — When the compact disk emerged from the laboratory as a consumer product in the mid-1980s, recording companies hated it. It would confuse consumers and ruin the business, they said.

Today, records are indeed near extinction, but the recording business has doubled since CDs, with their scratch-free digital clarity, went on sale eight years ago.

Now the battle is about to be fought again — this time over compact disks that record. The industry is choosing sides over a new technology called MD, for mini disk, a variant of the compact disk that Sony Corp. is betting will make its own Walkman obsolete.

Only 2½ inches in diameter, about the size of soda can tops, the disk is not only made for portables but is also "rewritable," meaning that data on it can be changed.

With that innovation, the one great advantage of tapes over compact disks is about to be wiped away. Sony is not saying yet, but when production of the player-recorders begins next year, they are expected to cost about $400.

For a decade, the CD that can record has been one of the Holy Grails of the electronics industry, and Sony is hardly the only entrant. Toshiba, Philips NV of the Netherlands, IBM and many others have been building prototypes, and there are already some specialty systems on the market as disk drives for computers — taking advantage of the huge storage capacity of optical disks.

The New York Times

But Sony is attempting a classic Japanese strategy: It is quickly forcing new technology into a relatively inexpensive consumer product in hopes that big manufacturing volume will cut production costs and leapfrog the company over the rest of the industry.

It is a high-risk approach that in the past has had some broad successes — most recently with light-weight consumer video cameras — and a few crashing failures.

The fate of the MD during the next few years may well determine more than just the profits of the consumer electronics industry. Rewritable disk technology — of which the mini disk is just one variation — has innumerable uses beyond music.

The most important may be in computing, where optical compact disks, known as CD-ROMs, are already coming into use because they can store far more data than magnetic disks. But unlike mini disks, CD-ROMs cannot record data. A variant of the new mini disk, with its small size, would have obvious applications to laptop computing.

For now, Sony says its only immediate interest is the audio market. "To expand the market for the compact disk, we needed a much smaller disk that could be used outdoors," said Terusaki Aoki, who heads Sony's tape and disk products division and until recently ran its research and development programs. "And, of course, we needed recording capability."

Now, the race between magnetic and optical technologies is on. The first problem for the optical researchers was to shrink the disks and players to the size of cassette tapes and Walkmans.

The mini disk that Sony developed can store far less data than a standard-size, five-inch compact disk, which can play about 74 minutes of music. But Sony's new compression technology can jam as much music into a fifth the space by cutting out frequencies that cannot be detected by the human ear. The price: audio quality a bit lower than on ordinary compact disks.

There is the jogging problem. While audio tape easily absorbs bouncing and jostling, the delicate laser pickups in portable CD

See MINI, Page 11

Dollar Tumbles As U.S. Trade Deficit Climbs

By Lawrence Malkin
International Herald Tribune

NEW YORK — The Commerce Department reported Wednesday that the trade deficit inched upward in April, a sign that the recession is ending but a warning to some economists that lower deficits are probably ending with it.

The most immediate effect was to knock down the dollar.

After declining for several recession months, imports rose 5.9 percent last month, partly on half a billion dollars more of consumer purchases that signaled a nationwide sales revival. Another factor was a one-time rebuilding of war-depleted oil stocks.

But counterbalancing demand for U.S. goods abroad continued strong, and a 4.5 percent rise in exports to a record of $35.5 billion held the deficit to $4.78 billion, after $4.07 billion in March.

The dollar fell on the announcement of the trade figures and fell further after the announcement that the Group of Seven finance ministers would meet in London this weekend. The dollar closed in New York at 1.7908 Deutsche marks after finishing at 1.8177 on Tuesday, when it hit a 19-month high against the German currency.

But there were other factors. First, traders sold dollars to scoop up their profits from this week's rise. Then they squared their books against any decision to realign interest rates or intervene against the dollar that might be made by the G-7 finance ministers.

Inflation fears in Japan and Germany made it unlikely that either of these countries would respond to U.S. appeals for lower interest rates. One reason, said David Hale, chief economist at Kemper Financial Services, is that "the dollar's rise has made further calls by the U.S. for lower world interest rates no longer credible."

The U.S. currency also slipped in New York to 140.155 yen, compared with 141.150 on Tuesday, to 1.5385 Swiss francs, from 1.5647, and to 6.0905 French francs, after 6.1760. The British pound firmed to $1.6345 from $1.6090.

In London, the dollar was quoted lower after the release of the U.S. trade data. It fell to 1.7943 DM, compared with 1.8150 on Tuesday, and at 140.20 yen, after 140.85.

The London market also saw the dollar fall to 1.5440 Swiss francs, from 1.5615, and to 6.1065 French francs, after 6.1675. The British pound gained to $1.6290, after $1.6110.

Further evidence that the U.S. economy is "improving modestly" was reported in the Federal Reserve Board's regular Beige Book survey conducted before June 10 by its regional member banks. They found manufacturing was picking up in most areas away from the coastal centers of New York and San Francisco.

Some districts reported that export demand was slackening. Prices were reported "steady to up slightly" with only modest increases in

See DEFICIT, Page 10

U.S. Gains in Competitiveness Rankings

By Tom Redburn
International Herald Tribune

PARIS — The United States has improved its competitiveness in world markets but still trails Japan by a significant margin, while Germany and Switzerland have slipped, according to results of the annual World Competitiveness Report.

Within Europe, however, Germany and Switzerland continue well ahead of such closely bunched rivals as Austria, the Netherlands, Scandinavia and Britain. France is ahead of Italy and Spain, with Portugal and Greece at the rear, just ahead of Hungary.

The report — prepared by IMD, a management school based in Lausanne, Switzerland, and the World Economic Forum of Geneva — is designed to compare 34 countries on the basis of their competitive environment for investment and the aggressiveness of their businesses in world trade.

The survey's latest rankings for industrialized countries, in order, included: Japan, the United States, Germany, Switzerland, Canada, Austria, the Netherlands, Denmark, Finland, Britain, Belgium-Luxembourg, Sweden, Ireland, Norway, France, Australia, Italy, New Zealand, Spain, Turkey, Portugal, Greece and Hungary.

In a separate list of developing countries, the report lists, in order: Singapore, Hong Kong, South Korea, Taiwan, Malaysia, Thailand, Mexico, Indonesia, Brazil and India.

The report rates Indonesia, Hungary, Mexico and Thailand as hidden treasures while noting that Malaysia is rapidly becoming a force in attracting foreign investment.

Singapore maintained its lead among the newly industrialized economies, followed by Hong Kong and South Korea.

Taiwan dropped from second place to fourth due to a weaker domestic economy and a slow government response to economic developments.

Japan, which passed the United States in 1986 as the leading competitor of the report, remains well ahead, with a strong economy built on a foundation of manufacturing excellence, technology and management.

> 'The Japanese are tops in plowing back a large part of their national income into investment.'
> Thomas M. Rauschenbach, World Economic Forum

"The Japanese are not only tops in plowing back a large part of their national income into investment," said Thomas M. Rauschenbach, a director of the World Economic Forum, but its companies also continue to make strides because "such investment also bears world-class fruits."

In a new feature of the 11-year-old study, countries were also compared on the economic assets and liabilities they bring to world competition.

Japan's strengths include economic flexibility, low tax revenues, product quality and worker relations, while its weaknesses derive mostly from failure to utilize women as professionals and rigid immigration rules, lack of natural resources and protectionism, which limits imports and investment.

The United States, by contrast, is strongest in its openness to new business, encouragement of competition, lower barriers to investment, trade and immigration and a well-developed infrastructure of air transport, telecommunications and retail trade.

The greatest U.S. weaknesses are rigid product-liability laws, crime and substance abuse, employee turnover and public funding for defense research at the expense of civilian research and development.

Compared to a similar study prepared by the Washington-based Council on Competitiveness, however, the World Competitiveness Report paints a more optimistic portrait of the U.S. position in world trade.

The report notes that U.S. exports of aeronautical products continue to dominate, while American companies have impressive gains in electrical components, computer equipment and a variety of manufactured goods.

It said the U.S. rise to second was probably due to weaker economies in Germany and Switzerland, which fell from second to fourth, rather than to a real increase in competitiveness.

The report is not particularly good news for France, whose new prime minister, Edith Cresson, has identified as her top goal the desire to catch Germany in economic competitiveness.

While strong is such areas as energy independence, low inflation, advanced research and development and product design, France continues to slip. It fell to the 12th rank, one lower than last year, which was a notch below 1989.

The survey notes such French weaknesses as insularity, low growth in industrial production and investment from abroad, too much dependence on state enterprises and high unemployment teamed with poor availability of skilled labor.

France remains the leading world exporter of beverages, but it has made recent gains in such industries as aeronautics, basic organic chemicals, plastics and miscellaneous hardware.

Despite the woes associated with unification, Germany shows continued strength in a wide variety of machine industries.

Its competitiveness is based on low inflation, educated workers, economic flexibility and close relationship between banks and industry. Its weaknesses are generally limited to such factors as an aging population and a low growth in the labor force.

Britain, roughly midway between Germany and France, showed some surprising advantages despite its deep recession.

Paris Holds Line On Thomson Aid

By Charles Goldsmith
International Herald Tribune

BRUSSELS — The French government denied late Wednesday that it had dropped its plan to provide its troubled state-run electronics group Thomson SA with about 2 billion francs ($325 million) in subsidies.

The European Community had announced earlier in the day that Paris, facing the prospect of a possible competition investigation by the Community, was abandoning a plan to inject new capital into Thomson.

Prime Minister Edith Cresson's office told Agence France-Presse that there had been "neither abandonment nor suspension" of the aid plan.

It added, "There is only — and this is not new — a re-examination of aid for Thomson and Bull in connection with the more general question of aid policy for the electronics industry."

The French government has been planning an infusion of aid into the state-controlled computer maker Groupe Bull, which had a loss of 6.8 billion francs last year.

"We deny that Paris ever said it would abandon aiding Thomson," Reuters quoted a spokesman for Mrs. Cresson's office as saying.

An Industry Ministry official said: "The government indicated to the Commissioner that for the moment this recapitalization has not taken place, and could not be the subject of an inquiry or anything."

Sir Leon Brittan, the EC commissioner in charge of competition, had raised hopes that a clash between Brussels and Paris would be avoided. He said Mrs. Cresson had pledged to carry out an "examination of the situation of the French electronics industry as a whole."

He also said that France had pledged "not to proceed at this stage

See THOMSON, Page 11

BSL
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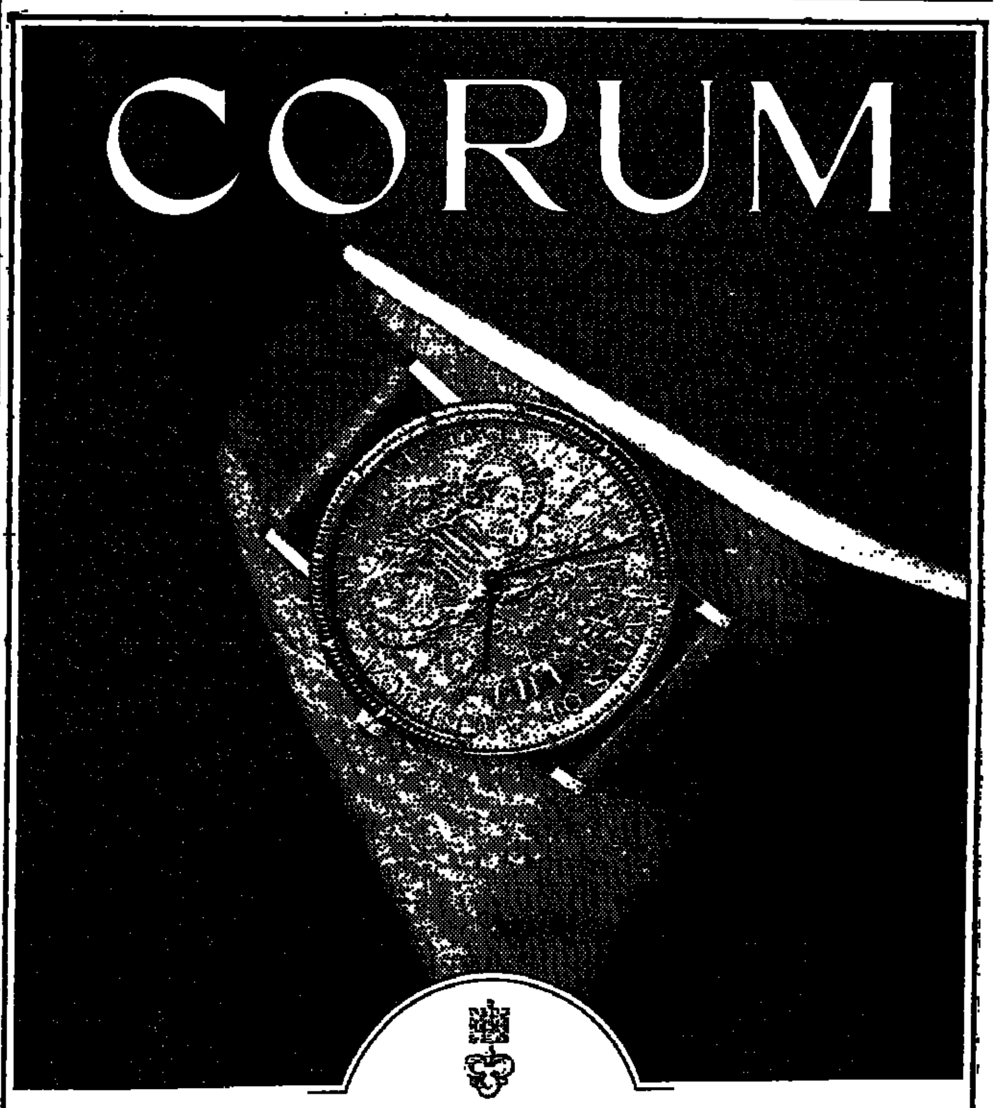

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MARKET DIARY

Dow Drops Sharply On Rate Worries

United Press International

NEW YORK — Stock prices fell sharply Wednesday on the New York Stock Exchange amid worries over interest rates, Friday's "triple-witching hour" and a selling wave that eroded Tokyo and European markets.

The Dow Jones industrial average, which fell 13.64 points in the first two sessions this week including 7.15 points Tuesday, tumbled 31.30 points to 2,955.50.

Trude Latimer, market analyst at Jesup, Josephthal & Co., said "stocks fell from the opening bell ahead of Friday's triple-witching hour," when the contracts covering stock-index futures, options on such futures and options on individual stocks all expire.

While such expirations occur each month, Ms. Latimer noted, "the biggest ones by far take place on the final month of each quarter," when contracts based on the Standard & Poor's 500 stock index expire.

The narrower Dow Jones utilities average lost about 9.88 points, or almost 5 percent, to 197.24 following a 43 percent drop in the value of Columbia Gas Systems.

Among the broad-based gauges, the New York Stock Exchange composite index fell 1.85 to 205.78 and the price of an average share fell 31 cents.

Declines outnumbered advances by almost a 4-to-1 ratio. Volume amounted to 156 million shares, compared with 156.2 million changing hands Tuesday.

On the trading floor, Columbia Gas Systems paced the NYSE actives, plunging 13⅞ to 20⅜.

Among the blue-chip issues, IBM added ⅛ to 101, AT&T eased ⅛ to 37⅝, Exxon slipped ⅛ to 56⅞ and Digital Equipment lost 1½ to 63¼.

On the American Stock Exchange, stocks ended sharply lower in moderate trading.

N.Y. Stocks

DEFICIT: *Dollar Slides on Data*

(Continued from first finance page)

retail prices. Continued weakness in the housing market was substantiated by the Fed's report that most of the strength in mortgage lending stemmed from refinancing to take advantage of lower rates rather than to make new purchases.

Monthly trade figures are often erratic. The April export figures, for example, were boosted $300 million by aircraft shipments, always a large and volatile category.

In addition, said Carl Weinberg of High Frequency Economics, the $700 million rise in the deficit is itself smaller than the standard error in this first estimate that the government allows itself, which means the entire monthly change could be revised away by later data.

Mr. Weinberg prefers to view the figures through a longer perspective, saying that for six months in a row the trade deficit has been lower than it was in the previous year. He forecast an improvement this year of up to $35 billion.

Commerce Secretary Robert L. Mosbacher said that the trade deficit had declined by one-third since 1987. Mr. Weinberger agreed: The fundamental slowdown of the U.S. economy since the peak of the 1980s boom years, added to the slow recovery of the 1990s, ensure that the trade deficit will not get out of hand and the dollar will remain firm.

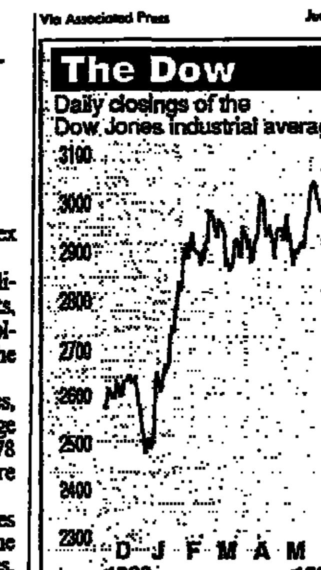
He added that he was unworried that a recovery would pull in imports because they take from six months to four years to respond to a change in the economy.

David Wyss of DRI/McGraw Hill disagreed: "This is a warning that imports are rising as the recession ends. It will not take long for them to revive. If the revival comes from increased demand, it happens quickly. If it comes from devaluation that permits lower prices to establish new markets, then it takes a long time."

Like many other economists, he read the rise in imports as a sign that statistics for total U.S. consumer demand in the current quarter will start rising again.

Foreign Exchange

Via Associated Press — June 19



NYSE Most Actives

	Vol.	High	Low	Last	Chg.
PepsiCs	34487	30½	29¾	29¾	— ½
ColGas	31547	21¼	18¾	20⅜	—13⅞
IntRect	22894	18⅛	15½	16½	—5⅞
IBM	20171	101¼	100	101	+ ⅛
TelMex n	16651	26⅞	26	26⅛	— ⅞
PhilMr	15455	66	65⅛	65½	— ½
ProctG	15208	82¼	80¾	81	—2⅛
AmExp	13218	24	23¼	23⅜	— ⅜
MIN	12582	7⅜	7½	7½	— ⅛
Compq	12363	35⅞	32⅞	35⅞	+1½
CmpAsc	12083	11	10⅛	10⅞	+ ⅛
GnMotr	11845	43⅛	42⅛	42⅝	— ⅝
Unocal	11591	23⅛	22⅜	23⅛	— ⅜
RJR Nb n	10820	11	10¾	10¾	— ¼
Limitd	10614	29⅛	28¾	28⅝	— ⅜

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
WangB	15448	4⅜	3⅞	4	— ⅜
PW Nk pwt	3687	8⅝	8⅛	8⅝	+ ⅛
Westco	3195	9	9	9	— ⅛
EchoBy	3062	9¼	8⅝	9⅛	+ ⅛
ChDvA s	2578	26⅝	26¼	26½	
Dk Nk wt	2378	18⅝	18¼	18⅝	+ ⅜
EkaNk wt	2336	8⅝	8⅛	8½	+ ⅜
OMI	2194	7⅝	7½	7⅝	— ⅛
BatOG s	1921	7⅛	6⅞	7	+ ⅛
SNk 193wt	1909	18	17⅞	18	+ ⅜
SFT 393pwt	1810	3⅜	3⅛	3¼	+ ⅛
DowC rt	1799	8	7⅝	7⅞	— ⅛
GaylC	1735	5⅝	4⅞	5⅛	+ ¼
IvaxCp s	1689	27¼	26½	26½	—1⅛
Alza	1617	58½	56¾	57⅞	—1¼

NYSE Diary

	Close	Prev.
Advanced	413	615
Declined	1164	893
Unchanged	463	558
Total Issues	2040	2066
New Highs	19	55
New Lows	23	8

Amex Diary

	Close	Prev.
Advanced	161	275
Declined	369	293
Unchanged	247	228
Total Issues	777	796
New Highs	3	15
New Lows	6	6

NASDAQ Diary

	Close	Prev.
Advanced	668	819
Declined	1,200	1,052
Unchanged	2,234	2,234
Total Issues	4,104	4,105

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2965.34	2978.31	2933.97	2955.50	— 31.31
Trans	1212.98	1214.33	1194.99	1201.52	— 17.63
Util	206.43	199.95	195.85	197.25	— 9.87
Comp	1065.11	1063.93	1043.79	1053.52	— 18.05

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	451.18	446.44	447.34	—3.84
Transp.	299.28	294.78	295.27	—4.81
Utilities	136.02	133.92	134.10	—1.92
Finance	30.12	29.74	29.85	—0.27
SP 500	378.59	374.36	375.09	—3.50
SP 100	360.34	356.38	357.25	—3.09

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	206.20	205.43	205.78	—1.85
Industrials	259.69	259.17	259.36	—2.26
Transp.	177.74	174.80	177.02	—2.23
Utilities	88.64	88.12	88.12	—1.04
Finance	151.28	150.72	150.94	—1.05

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	491.59	484.20	485.36	—6.23
Industrials	545.81	539.19	540.48	—7.26
Finance	479.52	475.23	476.25	—3.42
Insurance	543.39	538.18	539.70	—3.47
Utilities	561.41	549.58	549.75	—12.83
Banks	329.59	325.27	327.87	—1.73
Transp.	528.82	520.10	523.24	—5.94

AMEX Stock Index

High	Low	Close	Ch'ge
367.41	364.38	364.73	—2.67

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	94.11	—0.15
10 Utilities	94.96	—0.19
10 Industrials	93.26	—0.12

Market Sales

NYSE 4 p.m. volume	156,070,000
NYSE prev. cons. close	194,267,130
Amex 4 p.m. volume	10,860,000
Amex prev. cons. close	13,364,500
NASDAQ 4 p.m. volume	150,831,900
NASDAQ prev. 4 p.m. volume	145,418,489
NYSE volume up	23,574,700
NYSE volume down	111,045,000
Amex volume up	3,343,800
Amex volume down	5,662,900
NASDAQ volume up	n.a.
NASDAQ volume down	n.a.

S&P 100 Index Options

June 19

Strike Price	Calls-Last May	Jun	Jly	Aug	Puts-Last May	Jun	Jly	Aug
320	39½	—	—	—	⅛	—	—	—
325	—	—	—	—	⅛	—	—	—
330	28⅝	21	—	—	⅛	⅛	—	—
335	23	24½	—	—	⅛	⅛	—	—
340	17⅞	18	21	21⅝	½	1⅛	3¼	5⅛
345	12⅝	16⅞	18	—	½	2⅝	4	6
350	8	11⅝	14⅛	17⅛	1	3⅛	5⅞	7⅞
355	3⅝	8⅛	11⅛	—	1⅞	5⅛	7	9⅛
360	⅝	5⅜	8⅛	11⅛	3⅞	7⅝	9⅛	11⅛
365	⅛	3⅛	5⅞	9⅛	7⅛	10⅛	12⅜	13⅝
370	⅛	1⅝	4	—	12⅛	14	15⅛	—
375	⅛	1⅛	2⅝	—	17	18⅝	—	—
380	⅛	⅝	1⅝	3⅛	—	—	23⅝	—
385	—	⅛	1⅛	2⅝	—	—	—	—

Calls: total vol. 157,831 ; total open int. 430,237
Puts: total vol. 289,820 ; total open int. 441,738

	Dec 92	Dec 93	Dec 92	Dec 93
27½	—	10⅝	—	—
30	—	8⅛	1	—
32½	—	—	1⅛	2⅛
35	—	—	2½	3⅝

Calls: total vol. 30 ; total open int. 28,826
Puts: total vol. 654 ; total open int. 39,265
Source: CBOE.

EUROPEAN FUTURES

Food

	Close		High	Low	Prev.Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Aug	219.00	220.00	223.00	217.60	217.00	218.00
Oct	195.60	194.00	198.40	195.00	195.00	195.60
Dec	186.60	194.00	186.80	186.80	190.80	193.60
Mar	187.60	189.80	190.00	188.40	188.00	188.60
May	187.80	190.80	190.40	190.00	189.80	190.80
Aug	187.60	194.80	N.T.	N.T.	189.80	194.80
Oct	182.40	194.80	192.00	192.00	187.00	196.80
Est. Sales 1,254.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Jul	608	609	618	606	614	615
Sep	645	646	657	646	654	655
Dec	685	686	697	685	693	694
Mar	721	723	735	722	730	731
May	742	743	756	742	750	751
Jul	763	765	772	768	769	770
Sep	784	785	796	784	789	790
Est. Sales 4,822.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Jul	533	535	543	530	541	542
Sep	558	560	570	557	568	569
Nov	578	579	593	578	589	590
Jan	599	601	613	597	609	610
Mar	615	619	630	617	627	628
Est. Sales 7,340.						

WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons	High	Low	Close		Ch'ge
Aug	315.00	313.00	313.00	313.00	— 1.30
Oct	274.00	270.00	271.00	272.50	+ 0.90
Dec	N.T.	N.T.	262.50	264.00	+ 0.30
Mar	265.00	262.00	265.00	266.00	+ 3.00
May	N.T.	N.T.	265.00	266.00	+ 2.00
Aug	N.T.	N.T.	270.00	272.00	+ 0.50

Est. sales 1,102. Prev. sales 2,576. Open interest 11,686.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1311.00	1313.00	1324.00	1326.00
Forward	1343.00	1344.00	1356.00	1357.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1352.00	1354.00	1359.00	1361.00
Forward	1368.00	1368.50	1376.00	1377.00
LEAD Sterling per metric ton				
Spot	338.00	339.00	334.00	335.00
Forward	347.00	348.00	343.50	344.00
NICKEL Dollars per metric ton				
Spot	8475.00	8495.00	8440.00	8460.00
Forward	8470.00	8475.00	8430.00	8450.00
TIN Dollars per metric ton				
Spot	5735.00	5740.00	5745.00	5775.00
Forward	5820.00	5823.00	5826.00	5830.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1048.00	1058.00	1048.00	1050.00
Forward	1068.00	1070.00	1068.00	1069.00

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Jul	172.50	170.00	172.25	172.25	+ 0.50
Aug	172.50	170.50	172.50	172.25	— 0.25
Sep	174.25	173.00	174.00	174.25	— 0.25
Oct	176.50	175.00	176.50	176.50	Unch.
Nov	178.75	177.50	178.50	175.75	— 3.00
Dec	180.00	178.50	179.75	179.75	Unch.
Jan	177.25	175.75	177.00	177.00	+ 0.50
Feb	173.00	172.75	172.75	172.75	+ 1.75
Mar	169.00	169.00	169.00	169.00	— 1.00
Est. Sales 4,759. Prev. sales 4,384. Open interest 64,729					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Aug	18.34	18.05	18.19	18.18	— 0.03
Sep	18.50	18.23	18.33	18.33	— 0.08
Oct	18.65	18.40	18.48	18.54	— 0.09
Nov	18.77	18.58	18.65	18.45	— 0.12
Dec	18.80	18.58	18.60	18.59	— 0.16
Jan	N.T.	N.T.	N.T.	18.54	— 0.16
Feb	N.T.	N.T.	N.T.	18.64	— 0.14
Est. Sales 14,726. Prev. sales 16,897. Open interest 50,761					

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
June 18	407,799	658,998	26,329
June 17	533,279	600,359	4,131
June 14	734,075	524,459	2,373
June 13	626,142	501,700	9,959
June 12	530,256	843,451	99,891

*Included in the sales figures.

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Dividends

Company		Per	Amt	Pay	Rec
DISTRIBUTION					
Freeprt-Mc O&GRT		-	.0984	7-10	6-28
Mesa Royalty Tr		M	.158	7-31	6-28
Perm. Basin Rlty Tr		-	.0587	7-15	6-28
PLMEquipGrwth Fd		-	.575	8-15	6-28
SanJuan Bn Rlty Tr		-	.2458	7-15	6-28
SantaFe En PLP		Q	.10	8-15	6-28
Tel Offshore Tr		Q	.144	7-8	6-28
INCREASED					
Casey's Genl Stores		Q	.03	8-15	8-1
Culp Inc		Q	.03	7-16	7-2
Fifth Third Bancorp		Q	.30	7-15	6-28
LESCO Inc		A	.08	7-9	6-28
Sceptre Investment		Q	c-.48	7-15	7-2
PROPOSED REVERSE STOCK SPLIT					
Admor Group Inc — 1-for-5					
REVERSED STOCK SPLIT					
Intrasonics Inc 1-for-2					
STOCK SPLIT					
American Stores Co — 2-for-1					
Sovereign Bancorp Inc — 5-for-4					
USUAL					
ACM GovtSerts Fd		M	.10½	7-12	6-28
Amer Bldg Mntnce		Q	.23½	8-5	7-15
American Stores Co		Q	.28	7-15	6-28
Bankers Tr NY Corp		Q	.43½	7-25	7-2
BeautIcntrlCosmet		Q	.07	7-15	6-28
BIC Corp		Q	.28	7-25	7-9
Circuit City Stores		Q	.02½	7-15	6-28
CPC International		Q	.55	7-25	6-28
Fedl Paper Board Co		Q	.25	7-15	6-30
FstColonialBkshs A		Q	.12	7-10	6-30
Goulds Pumps Inc		Q	.20	7-15	7-5
Hoch Co		Q	.05	7-31	7-17
Harsco Corp		Q	.30	8-15	7-15
Heritage Bankcorp		Q	.13	7-15	6-30
Hudson Foods cl-A		Q	.03	7-15	6-28
Kaman Corp		Q	.11	7-22	7-8
Kaydon Corp		Q	.12½	9-30	9-16
Knight-Ridder Inc		Q	.35	7-10	7-2
Manufacturers Han		Q	.47	7-25	7-1
Merchants Bncshrs		Q	.20	7-1	6-21
Natl Banc Comm		-	.12	7-8	6-27
North Am Natl		A	.02	7-16	7-1
Oilgear Co		Q	.20	7-10	7-1
Oshkosh Truck A		Q	.08¾	8-15	7-15
Oshkosh Truck B		Q	.12½	8-15	7-15
Park Electrochem		Q	.08	8-13	7-15
Rykoff-Sexton Inc		Q	.15	7-16	7-2
Standard Comml		Q	.13	9-16	9-6
Sumitomo Bk of Ca		Q	.40	7-25	6-28
Tonos Co		Q	.06	8-1	7-18
Unlohn Co		Q	.29	8-1	7-8
UST Corp		Q	.08	7-15	6-30
Valley Resources		Q	.15½	7-15	6-28
Watsco Inc cl-A		Q	.05	7-31	6-28
Watsco Inc cl-B		Q	.04	7-31	6-28
Wells Fargo & Co		Q	1.00	7-19	7-1
Ziegler Co		Q	.13	7-19	7-5

a-annual; c-Canadian rate; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.596	0.601
Coffee, lb	0.71	0.71
Copper electrolytic, lb	1.107	1.107
Iron FOB, ton	213.00	213.00
Lead, lb	0.31	0.31
Silver, troy oz	4.41	4.485
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	0.99	0.99
Tin, lb	3.7853	3.7284
Zinc, lb	0.5425	0.5425

U.S. / AT THE CLOSE

Conditions Set for New Loan to MGM

AMSTERDAM (Reuters) — Crédit Lyonnais Bank Nederland, owned by French banking group Crédit Lyonnais SA, is conditionally willing to lend more money to heavily indebted Hollywood film studio MGM-Pathe Communications Co., a spokeswoman for the bank said Wednesday.

One of the conditions, she said, would be that Giancarlo Parretti, the former MGM-Pathe chairman and chief executive who was ousted from the board earlier this week, agree to completely withdraw from the daily management of the company. Crédit Lyonnais Bank Nederland helped bankroll the $1.3 billion takeover of MGM-UA Communications Co. by Mr. Parretti's Pathe Communications Corp. in November 1990.

The Delaware Chancery Court has granted a temporary order restraining Pathe, Mr. Parretti, his wife, Maria Cecconi, and his associate Yoram Globus from involvement in running the company. MGM-Pathe said the judgment enjoins the defendants, all of whom have been removed from the board, from taking any shareholder action or from taking any action that would suggest that they are in a position to act for MGM-Pathe.

Columbia Gas Seeking Credit Relief

WILMINGTON, Delaware (AP) — Columbia Gas System Inc. is projecting a $1 billion loss on its natural gas supply contracts and could be forced into bankruptcy if banks refuse to restructure its credit lines, the company said Wednesday.

Trading in Columbia shares was halted on the New York Stock Exchange Wednesday morning. When it resumed early in the afternoon, the price plunged to as low as $18.125 per share, before closing at $20.625 for a fall on the day of $13.875.

The firm said its principal pipeline subsidiary, Columbia Gas Transmission Corp., has 5,400 contracts with natural gas suppliers requiring it to pay prices much higher than the current spot market. Prices for natural gas have plunged recently because of the warm winter and a glut of supplies, the company said.

4 Latin America Nations Join Accord

WASHINGTON (WP) — Representatives of the United States and Argentina, Brazil, Paraguay and Uruguay signed an agreement Wednesday in Washington that officials hope will lead to a free-trade pact. The four South American countries are in the process of forming a common market.

The agreement was essentially a statement of intentions, like similar accords signed with eight other Latin American countries since President George Bush announced his goal last year of a barrier-free hemisphere.

It pledges the signatories to begin talks on specific issues, which are designed to lead to full-fledged negotiations and a free-trade pact.

GM Favored for Poland Investment

WARSAW (Reuters) — The managing director of the Polish carmaker FSO said that General Motors Corp.'s offer earlier Wednesday to invest about $400 million in FSO was superior to that of Fiat SpA and that he would recommend it to Prime Minister Jan Krzysztof Bielecki.

Andrzej Tyszkiewicz, the managing director, said that besides offering production of the new Astra car, GM was proposing better financial conditions, including investment worth $70 million in the initial phase.

He added that both offers were dependent on Polish government guarantees.

Hydrogen-Powered Vehicle Unveiled

HARRISBURG, Pennsylvania (Reuters) — A vehicle that uses hydrogen fuel cells to power its electric motor was unveiled here Wednesday, in what was seen as a technological advance toward making such technology cost-effective.

Built by Energy Innovations Inc. of Independence, Missouri, the motor's only emission is water vapor. It was developed by the company with the help of a grant from the Pennsylvania Energy Office.

Fuel cell technology has been used for decades in spacecraft, but has been too expensive to be practical for use in conventional cars. Energy Innovations's president, Roger Billings, said he had been able to make a cost-effective engine in which 60 percent of the hydrogen energy produced by a fuel cell is transformed to electricity.

G-7: *Soviet Aid and Strong Dollar Are Likely Topics for Ministers' Talks*

(Continued from first finance page)

United States would seek to discuss lower interest rates.

Marlin Fitzwater said Mr. Bush was "always for lower interest rates" and is concerned about growth as the U.S. economy emerges from recession.

"We are interested in maintaining a good pace of growth as we come out of it so we can achieve a very strong plateau of growth in the years ahead," Mr. Fitzwater said. "To that end, we would be discussing interest rates and other monetary matters."

In Paris, Finance Minister Pierre Bérégovoy said France was concerned about the rising value of the dollar and that he hoped that the ministers would be able "to decide together what measures are needed to maintain stability on the foreign exchange markets."

"Neither the Europeans, nor the Americans, nor the Japanese should ignore the rise of the dollar," he said. "When the dollar was at five francs it was not good for the world economy, and we said so."

"Now that is is above six francs, we must say that the level is satisfactory, six francs, 6.20, and it should not go above that," he said.

The Soviet aid issue is essentially the need to reach agreement on a set of conditions that the Soviet Union would have to fulfill to qualify for aid, whether it is the $20 billion a year that a group of Harvard and Soviet economists have proposed, among them Mr. Fischer, or a lesser amount.

The meeting would also prepare the way for discussions of another major issue: how to coordinate economic policies now that the U.S. recession is apparently coming to an end.

"Maybe they'll try for an agreement on a ceiling for the dollar's value," said David Smick, a Washington economic consultant.

(AP, Reuters, AFP, NYT)

WORLD STOCK MARKETS

Agence France Presse — June 19

Amsterdam	Close	Prev.
ABN Amro Hld	38.40	38.80
ACF Holding	39.30	40
Aegon	120.10	121.60
Ahold	83.40	84.80
Akzo	115.50	116.80
AMEV	53.60	54.70
A'Dam Rubber	3.70	3.70
Bols	209.20	208.50
Buhrmann Tett	50.80	51.30
Center Parcs	26.50	26.75
CSM	84.80	85.40
DAF	25.60	26.50
DSM	116.40	117.10
Elsevier	83.90	85.30
Fokker	36.50	37.20
Gist-Brocades	34.30	34.60
Heineken	152.20	153.80
Hoogovens	63	64.20
Hunter Douglas	86.20	88.30
IHC Caland	56.50	58.50
Inter Mueller	80.70	81.50
Int'l Nederland	51.50	52.20
KLM	30.30	30.80
KNP	54.40	55
Nedlloyd	55.20	56.20
Oce Grinten	49.80	50
Pakhoed	192	194.50
Philips	32.50	32.70
Robeco	102.30	102.40
Rodamco	54.50	57.20
Rolinco	102.10	102.40
Rorento	66.40	66.40
Royal Dutch	157.30	159.60
Unilever	163.80	165
Van Ommeren	43.90	43.20
VMF Stork	46.30	46.40
VNU	79.30	79.40
Wessanen	84.30	84.40
Wolters/Kluwer	53.40	53.80
CBS trend index : 95.20		
Previous : 96.20		

Brussels	Close	Prev.
AG Fin	1980	1975
Arbed	4320	4375
Barco	1222	1240
Bekaert	9690	9690
Cockerill	188	191
Cobepa	5110	5150
Delhaize	7960	8000
Electrobel	4380	4415
GB-Inno-BM	1376	1390
GBL	3740	3750
Gevaert	6930	7080
Hoboken	11200	11400
Intercom	[illegible]	[illegible]
Kredietbank	4350	4450
Petrofina	11750	11825
Royal Belge	4070	4100
Soc Gen Banque	5100	5120
Soc Gen Belgique	2345	2365
Sofina	12225	12300
Solvay	12975	13075
Tractebel	3255	3430
UCB	17475	17750
Powerfin	2245	2330
Current Stock Index : 5707.46		
Previous : 5684.35		

Frankfurt	Close	Prev.
AEG	192.60	195
Allianz Hold	2352	2370
Altana	614	611
Asko	869.50	874.50
BASF	248.70	250.20
Bayer	280.40	279.70
Bay. Hypo bank	370	370
Bay Vereinsbk	408	407.50
BBC	775	770
BHF Bank	410	409
BMW	516	522
Commerzbank	256.50	257.20
Continental	206	207
Daimler Benz	777.50	783
Degussa	362.10	365
Dt Babcock	186.80	186.90
Deutsche Bank	657.50	665
Douglas	624	630
Dresdner Bank	373	374.20
Harpener	325	326
Henkel	574	578
Hochtief	1377	1415
Hoechst	242.70	247.20
Hoesch	264.20	269.60
Holzmann	1484	1509
Horten	216	218
IWKA	344.50	337
Kali Salz	169	169
Karstadt	676.50	683
Kaufhof	540	544
KHD	191.50	191
Kloeckner Werke	149	152
Krupp Stahl	154	154
Linde	856	862
Lufthansa	138	137
MAN	404.50	396
Mannesmann	295.50	298
Metallgesell	530.50	538.50
Muench Rueck	2410	2445
Nixdorf	277	274
PKI	505.10	505.10
Porsche	884	885
Preussag	367.30	369
PWA	285	288
RWE	409.70	411.70
Rheinmetall	365	366
Schering	804.80	805.50
SEL	370	372
Siemens	657.20	665.20
Thyssen	240.60	241
Varta	354	356
Veba	361.20	364.30
VEW	209.20	209.70
Viag	378.50	377.80
Volkswagen	408	411.20
Wella	700	709
DAX Index : 1683.83		
Previous : 1695.42		
FAZ Index : 707.25		
Previous : 710.16		

Helsinki	Close	Prev.
Amer A	62	62
Enso-Gutzeit	19.20	19.20
K.O.P.	34	34
Kymmene	69	67
Metra	71.40	75
Nokia	185	186
Pohjola	95	95
Repola	55	55
Stockmann	134	134
HEX Index : 1017.80		
Previous : 1024.00		

Hong Kong	Close	Prev.
Bk East Asia	16.90	16.90
Cathay Pacific	8.45	8.40
Cavendish Int'l	3.50	3.53
Cheung Kong	16.80	16.90
China Light Pwr	19.40	19.70
Dairy Farm Int'l	11.10	11.10
Hang Lung Dev	7	7.05
Hang Seng Bank	26.80	26.80
Henderson Land	10.80	10.80
HK Air Eng.	16.20	16.20
HK China Gas	10.60	10.70
HK Electric	11.40	11.30
HK Land	8	8.15
HK Realty Trust	5.30	5.40
HK Shang Bank	26.20	26.40
HK Shang Htls	4.58	4.45
HK Telecomm	6.55	6.50
HK Ferry	4.15	4.18
Hutch Whampoa	14.40	14.50
Hysan Dev	6.35	6.40
Jardine Math.	34.50	35.75
Jardine Str Hld	17.90	18.20
Kowloon Motor	7.10	7.25
Mandarin Orient	4.33	4.50
Miramar Hotel	5.10	5.10
New World Dev	10.20	10.30
SHK Props	18.30	18.40
Stelux	3.53	3.58
Swire Pac A	19.80	19.80
Tai Cheung Prps	4	4.03
TVE	1.61	1.60
Wharf Hold	8.90	9
Wing On Co	7.90	7.95
Winsor Ind.	8.95	8.95
World Int'l	4.90	4.95
Hang Seng Index : 3636.13		
Previous : 3657.53		

Johannesburg	Close	Prev.
AECI	14.15	14.15
Altech	89.50	89.50
Anglo Amer	119.50	119
Barlows	43	41.75
Blyvoor	8.50	8.50
Buffels	41.50	40
De Beers	78.75	77.50
Driefontein	40.85	41.25
Gencor	12.80	12.70
GFSA	81.25	79.50
Harmony	20	20.50
Highveld Steel	14.25	14.25
Kloof	32	32.75
Nedbank Grp	13.90	13.85
Randfontein	14.25	14.25
Rusplat	73	74.85
SA Brews	55.25	50.75
St Helena	37	37
Sasol	14.50	14.40
Welkom	16.50	16.50
Western Deep	131	130.50
Composite Stock Index : 3335		
Previous : 3380		

London	Close	Prev.
Abbey Nat'l	2.67	2.68
Allied Lyons	5.53	5.62
Argyll Group	2.84	2.86
ASDA Group	0.98	0.97
Ass Brit Foods	5.28	5.32
BAA	4.42	4.48
BAe	5.92	5.95
Barclays	4.28	4.34
Bass	9.58	9.67
BAT	7.28	7.32
BET	1.82	1.87
Blue Circle	2.43	2.50
BOC Group	5.48	5.48
Boots	3.82	3.91
BP	3.30	3.37
Brit Airways	1.72	1.73
Brit Gas	2.48	2.50
Brit Steel	1.30	1.31
Brit Telecom	3.69	3.76
BTR	3.86	3.92
Cable Wire	5.40	5.48
Cadbury Sch	3.57	3.58
Comm Union	5.06	5.05
Courtaulds	3.93	4.07
Enterprise Oil	5.07	5.18
Eurotunnel	4.43	4.48
Fisons	4.96	5.03
GEC	1.94	1.94
Gen'l Acc	5.42	5.36
Glaxo	12.46	12.86
Grand Met	7.60	7.59
GRE	1.96	2.04
Guinness	9.78	9.85
GUS	15.10	15.10
Hanson Trust	2.14	2.17
Hawker Sidd	5.58	5.65
Hillsdown	2.23	2.25
ICI	12.87	13
Kingfisher	4.93	4.97
Ladbroke	2.64	2.65
Land Sec	4.91	4.96
Lasmo	3.22	3.30
Legal Gen Grp	4.24	4.33
Lloyds Bank	3.32	3.38
Lonrho	2.39	2.45
Lucas Ind	1.47	1.49
Marks Sp	2.47	2.50
Maxwell	2.02	2.02
MEPC	4.61	4.65
Midland Bk	2.82	2.83
Nat'l Power	1.35	1.38
NatWest	3.04	3.08
NthWst Water	2.72	2.87
PowerGen	1.43	1.47
Prudential	2.31	2.36
Racal Elec	2.13	2.15
Rank Org	6.79	6.85
Reckitt Col	15.72	15.78
Redland	5.58	5.62
Reed Int'l	4.83	4.12
Reuters	8	8.04
Rolls Royce	1.55	1.56
Rothmans	9.31	9.32
Royal Ins	4.50	4.63
Royal Scot	1.79	1.78
RTZ	5.50	5.48
Sainsbury	3.46	3.50
Scot Newcas	3.86	3.92
Sears Holds	0.74	0.79
Severn Trent	2.46	2.54
Shell	5.11	5.16
Smith Nephew	1.32	1.35
SmithKline B	7.83	7.97
Sun Alliance	3.75	3.76
Tarmac	2.15	2.21
Tate & Lyle	3.83	3.90
Tesco	2.48	2.44
THF	2.25	2.32
Thorn EMI	7.35	7.40
Trafalgar Hse	2.45	2.57
TSB Group	1.44	1.45
Ultramar	2.82	2.86
Unilever	7.43	7.52
Utd Biscuits	3.43	3.62
War Loan 3½	34.19	34
Wellcome	6.43	6.41
Whitbread	4.82	4.94
Williams Hdgs	3	3.08
F.T. 30 Index : 1952.30		
Previous : 1971.30		
F.T.S.E. 100 Index : 2494.70		
Previous : 2515.80		

Madrid	Close	Prev.
Bco. Bilbao/Viz.	3330	3250
Banco Central	4200	4205
Bco. Santander	5280	5370
Banesto	3800	3880
CEPSA	2275	2330
Dragados	2730	2825
Iberduero	697	697
Telefonica	977	997
S.E. General Index : 279.47		
Previous : 283.38		

Milan	Close	Prev.
Alenia	2878	2892
Banca Comm	4850	4870
Bastogi	235.50	240
Benetton group	9779	9850
Ciga hotels	2850	2909
CIR	2990	3035
Cred Ital	2800	2780
Enichem	1528	1514
Eridania	7120	7227
Ferfin	2342	2384
Ferfin Risp	1425	1435
Fiat SPA	6340	6390
Generali	35750	35900
IFI	16300	16475
Italcem	23209	23400
Italgas	3085	3130
Italmobiliare	75600	77200
Mediobanca	16765	16650
Montedison	1618	1620
Olivetti	4045	4150
Pirelli	2010	2065
RAS	21750	21650
Rinascente	7170	7220
Saipem	1615	1575
SIP	1195	1200
SME	3231	3260
Snia	1612	1640
Standa	35980	35960
Stet	2131	2159
Toro Assi Risp	26630	26110
MIB Index : 1180		
Previous : 1191		

Montreal	Close	Prev.
Alcan Aluminum	24⅛	24½
Bank Montreal	34⅝	35⅛
Bell Canada	41⅝	41½
Bombardier A	22⅛	23
Bombardier B	22⅝	23
Cambior	10	10⅛
Cascades	4.60	4.45
Dominion Text A	8¼	8⅛
Donohue	N.Q.	14⅛
MacMillan Bl	21	21⅛
Memotec	9½	9½
Nat'l Bk Canada	11	11
Power Corp.	16½	16¾
Provigo	12⅛	12⅛
Quebec Tel	15½	15½
Quebecor A	17½	N.Q.
Quebecor B	16⅝	16½
Videotron	14½	14⅜
Industrials Index : 1549.89		
Previous : 1548.71		

Paris	Close	Prev.
Accor	763	775
Air Liquide	671	680
Alcatel Alsthom	575	584
Avions Dassault	460	460
Bancaire (Cie)	489	513
BIC	719	720
Bongrain	2425	2450
Bouygues	580	591
BSN-GD	885	901
Carrefour	1950	2003
Cerus	127	128.50
Chargeurs	730	756
Club Med	449	455
Elf-Aquitaine	364	368.90
Europe 1	1009	1022
Gen. Eaux	2442	2499
Hachette	184.20	188.60
Havas	465	472.50
Imetal	328	326
Lafarge Coppee	376.50	391.90
Legrand	3475	3510
Oreal (L')	575	584
L.V.M.H.	4235	4250
Matra	226	230
Merlin Gerin	482	492
Michelin B	101.50	103
Moulinex	145.50	145
Occidentale	778	785
Paribas	441	454
Pernod-Ricard	1165	1193
Perrier	1484	1496
Peugeot	590	607
Printemps (Au)	613	618
Radiotechnique	520	530
Raff. St. Louis	1425	1477
Redoute (La)	3600	3459
Roussel Uclaf	1981	2020
Saint Gobain	434	444.50
Sanofi	849	870
S.E.B.	1540	1549
Skis Rossignol	662	680
Ste Generale A	401	402
Suez	360.50	365
Thomson-CSF	140.80	144.70
Total	815	821
Valeo	499	497
CAC 40 Index : 1779.19		
Previous : 1808.63		

Sao Paulo	Close	Prev.
Banco do Brasil	76.50	75
Bradesco	7.82	7.54
Brahma	38	34.90
Paranapanema	4.25	3.85
Petrobras	175	180
Vale Rio Doce	171	158
Varig	32.50	31.70
Bovespa Index : 13809		
Previous : 11770		

Singapore	Close	Prev.
City Dev.	3.50	3.50
DBS	12.10	12.10
Fraser Neave	8.75	8.80
Harrisons Plant	1.33	1.35
How Par	2.45	2.47
Hume	3.82	3.80
Inchcape	4.48	4.44
Keppel	7.90	7.85
KL Kepong	2.46	2.46
Lum Chang	1.15	1.14
Malayan Bankg	4.60	4.66
OCBC	8.70	8.75
OUB	5.35	5.45
OUE	7.35	7.35
Sembawang	7	7
Shangrila	5.90	6
Sime Darby	2.46	2.43
SIA	13.40	13.50
S'pore Land	5.90	6.05
S'pore Press	9	9
Sing Steamship	2.82	2.86
Straits Trading	2.57	2.71
UOB	6.85	6.85
United Overseas	1.65	1.69
Straits Times Ind. : 1514.22		
Previous : 1523.57		

Stockholm	Close	Prev.
AGA	320	328
Alfa Laval	253	253
Asea	385	390
Astra-A	392	392
Atlas Copco	251	250
Electrolux B	269	271
Ericsson	208	207
Esselte-A	148	151
Handelsbanken	122	120
Norsk Hydro	193	200.50
Procordia AF	200	202
Saab-Scania	287	290
Sandvik	332	335
SCA-A	122	121
S-E. Banken	77.50	76
Skandia F	180	180
Skanska	373	370
SKF	110	112
Stora	392	390
Trelleborg B	135	137
Volvo	384	380
Affaersvaerlden Index : 1113.20		
Previous : 1118.58		

Sydney	Close	Prev.
ANZ	3.62	3.63
BHP	12.60	12.75
Boral	3.37	3.39
Bougainville	0.80	0.81
Coles Myer	10.85	11
Comalco	3.82	3.86
CRA	13.40	13.55
CSR	5.28	5.32
Dunlop	5.34	5.34
Fosters Brew	1.59	1.60
ICI Australia	4.17	4.15
Magellan	2.10	2.18
MIM	1.83	1.83
Nat Aust Bank	6.54	6.52
News Corp	8.56	8.56
Nine Network	0.53	0.53
N Broken Hill	2.32	2.34
Poseidon	1.17	1.18
QCT Resources	1.21	1.21
Santos	3.43	3.47
TNT	0.94	0.97
Western Mining	4.99	5.04
Westpac Banking	4.63	4.63
Woodside	3.37	3.38
All ordinaries Index : 1519.80		
Previous : 1523.00		

Tokyo	Close	Prev.
Akai Electr	1180	1220
Asahi Chemical	765	774
Asahi Glass	1280	1290
Bank of Tokyo	1380	1400
Bridgestone	1060	1060
Canon	1480	1480
Casio	1400	1450
C.Itoh	611	648
Dai Nippon Print	1570	1570
Daiwa House	1840	1900
Daiwa Securities	1210	1270
Fanuc	5360	5500
Fuji Bank	2670	2720
Fuji Photo	3380	3430
Fujitsu	1040	1070
Hitachi	1060	1100
Hitachi Cable	1130	1130
Honda	1460	1480
Ito Yokado	4450	4460
Japan Airlines	1110	1170
Kajima	1470	1490
Kansai Power	2670	2780
Kawasaki Steel	397	405
Kirin Brewery	1430	1490
Komatsu	822	848
Kubota	700	718
Kyocera	6300	6250
Matsu Elec Inds	1630	1660
Matsu Elec Wks	1580	1600
Mitsubishi Bk	2700	2720
Mitsubishi Kasei	530	560
Mitsubishi Elec	685	702
Mitsubishi Hev	708	720
Mitsubishi Corp	1220	1240
Mitsui and Co	726	747
Mitsukoshi	1240	1240
Mitsumi	1550	1630
NEC	1400	1460
NGK Insulators	1060	1080
Nikko Securities	950	1000
Nippon Kogaku	1200	1230
Nippon Oil	1020	1040
Nippon Steel	396	417
Nippon Yusen	604	625
Nissan	720	738
Nomura Sec	1910	1990
NTT (SF)	8804	9453
Olympus Optical	1220	1250
Pioneer	3910	4070
Ricoh	716	725
Sanyo Elec	551	569
Sharp	1520	1550
Shimazu	765	797
Shinetsu Chem	1400	1600
Sony	6080	6210
Sumitomo Bk	2280	2360
Sumitomo Chem	475	488
Sumi Marine	865	903
Sumitomo Metal	407	434
Taisei Corp	905	934
Taisho Marine	922	938
Takeda Chem	1480	1530
TDK	5840	5900
Teijin	565	571
Tokyo Marine	1150	1210
Tokyo Elec Pw	3430	3630
Toppan Printing	1450	1450
Toray Ind.	605	618
Toshiba	710	748
Toyota	1820	1820
Yamaichi Sec	971	1010
Nikkei 225 : 23977		
Previous : 24052		
Topix Index : 1856		
Previous : 1898		

Toronto	Close	Prev.
Abitibi Price	15½	15⅝
Agnico Eagle	6	6
Air Canada	9⅝	9⅝
Alberta Energy	13⅝	13⅝
Am Barrick Res	25⅛	25
BCE	41⅝	41½
BCED	0.16	0.14
Bk Nova Scotia	17⅛	17⅜
BC Gas	15	15⅛
BC Phone	19½	19¾
BP Canada	14⅝	14⅝
Bramalea	7⅛	7
Brunswick	7⅜	7½
CAE	6⅞	7
Campeau	0.47	0½
CIBC	30⅞	31⅛
Canadian Pacific	19⅞	20⅛
Can Packers	15⅛	15⅛
Can Tire A	24⅝	24⅝
Canadian Turbo	2.52	2.51
Cantor	27¾	27¾
Cara	19⅛	19⅞
CCL Ind B	11⅛	11⅜
Cineplex	6	6⅛
Cominco	25⅜	25¼
Conwest Expl A	13⅝	13⅝
Corona A	N.Q.	—
Denison Min B	0.39	0.40
Dickenson Min A	2⅝	2.70
Dofasco	21⅛	21
Dylex A	4.80	4⅝
Echo Bay Mines	10⅝	10⅝
Equity Silver A	1⅛	1.11
FCA Int'l	N.Q.	6⅛
Fed Ind A	7⅝	7½
Fletcher Chall A	18⅛	17¾
FPI	7⅛	7⅛
GoldCorp	3½	3.45
Gulf Cda Res	9⅝	8⅞
Hees Int'l	19⅛	19⅝
Hemlo Gld Mines	10	10
Hollinger	12⅜	12⅝
Horsham	10½	10⅝
Hudson's Bay	36⅝	36⅝
Imasco	30⅛	31⅛
Inco	40⅝	40⅞
Interprov pipe	30⅛	30
Jannock	16⅛	16⅜
Labatt	23½	23⅝
Loblaw Co	20⅛	20⅝
Mackenzie	7	6⅞
Magna Intl A	11⅝	11½
Maritime	18⅝	19
Mark Res	7⅛	7¼
MacLean Hunter	10⅝	10⅝
Molson A	44½	44½
Noma Ind A	7⅝	7⅝
Noranda	20⅝	20⅞
Noranda Forest	10	10⅛
Norcen Energy	22⅛	22⅛
Nova Corp	8⅝	8⅝
Oshawa	29⅛	29
Papurin A	6⅛	6⅛
Placer Dome	15⅛	15⅛
Poco Petroleum	7⅞	7⅝
PWA Corp	7⅝	7⅝
Quebec Sturgeon	0.32	0.32
Rayrock	8	8
Renaissance	15⅛	15⅛
Rogers B	10⅛	10⅛
Rothmans	59⅝	59⅝
Royal Bank Can	25	25⅛
Royal TrustCo	10⅛	10⅛
Sceptre Res	1.30	1.30
Scott's Hosp	18⅛	18⅛
Seagram	122	122½
Sears Can	13⅜	13⅜
Shell Can	41⅜	42⅛
Sherritt Gordon	7⅝	7⅝
SHL Systemhse	6⅝	6⅞
Southam	18⅝	18⅝
Spar Aerospace	12⅝	12⅝
Stelco A	7	7⅛
Teck B	21⅛	22
Thomson News	15⅝	16
Toronto Domn	18⅝	18¾
Torstar B	24⅛	24⅛
Transalta Util	12⅜	12½
TransCda Pipe	17⅝	17⅝
Triton Finl A	12⅛	12⅛
Trimac	8⅛	8⅝
Trizec A	14⅝	14½
Unicorp A	0.97	0.97
Woodward's Ltd	3⅝	3.80
TSE 300 Index : 3529.50		
Previous : 3549.87		

Zurich	Close	Prev.
Adia Intl	735	754
Alusuisse	1165	1180
Leu Holdings	1590	1615
Brown Boveri	4580	4620
Ciba Geigy	3080	3080
CS Holding	1910	1925
Elektrow	2870	2890
Fischer	1540	1545
Interdiscount	3210	3210
Jacobs Suchard	8500	8500
Jelmoli	1420	1410
Landis Gyr	1110	1115
Moevenpick	4290	4300
Nestle	8600	8660
Oerlikon-B	488	495
Pargesa Hld	1190	1200
Roche Holding B	4850	4860
Safra Republic	90	90
Sandoz	2280	2280
Schindler	5510	5400
Sulzer	415	411
Surveillance	8190	8190
Swissair	820	839
SBC	330	333
Swiss Reinsur	556	562
Swiss Volksbank	1380	1395
Union Bank	3600	3640
Winterthur	4070	4040
Zurich Ins	2170	2200
SBS Index : 627.50		
Previous : 631.90		

U.S. FUTURES

Via Associated Press — June 19

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.63	2.42	Jul	2.90½	2.91¼	2.89	2.89¼	—.02
3.26	2.49½	Sep	2.97	2.98	2.95¼	2.96¼	—.00½
3.25	2.51½	Dec	3.07¾	3.09½	3.06½	3.07¾	+.00¼
3.70¾	2.89¼	Mar	3.12½	3.15¾	3.12½	3.14¾	+.01¼
3.31	3.05	May	3.09	3.10	3.09	3.09	+.01
3.11	2.99	Jul	3.02	3.03	3.00	3.00	—.01
Est. Sales		Prev. Sales 14,984					
Prev. Day Open Int. 61,628 off 462							
WHEAT (KCBT) 5,000 bu minimum- dollars per bushel							
		Jul	2.86	2.87	2.84	2.88	+ .00¼
		Sep	2.91	2.94	2.90½	2.92½	— .00½
		Dec	2.99½	3.02½	2.99¼	3.02¼	+ .01¼
		Mar	3.04	3.06½	3.04	3.05½	— .00½
		May	3.01	3.02	3.00½	3.01	
		Jul	2.96	2.97	2.96	2.97	—
Est.Sales		Prv.Sales		Prev.Day Open Int			Chg. unch
CORN (CBT) 5,000 bu minimum- dollars per bushel							
3.08¼	2.35½	Jul	2.39	2.41½	2.38½	2.41¼	+.03½
2.87½	2.36¼	Sep	2.38¼	2.41	2.38¼	2.41	+.04
2.75	2.37	Dec	2.39½	2.43¼	2.39½	2.43¼	+.05
2.75¼	2.45	Mar	2.47½	2.50½	2.47½	2.50½	+.04½
2.79½	2.50¼	May	2.54¼	2.55¾	2.53½	2.55¾	+.04¼
2.82	2.55¼	Jul	2.58	2.60¼	2.58	2.60¼	+.03¼
2.59	2.54	Sep				2.56	+.01
2.59¼	2.52½	Dec	2.55½	2.56	2.55¼	2.55½	+.01
Est. Sales		Prev. Sales 38,137					
Prev. Day Open Int.204,805 off 914							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.18	5.60½	Jul	5.67	5.72	5.68¼	5.70¼	+.05
6.95	5.63¼	Aug	5.72½	5.74½	5.71	5.73¼	+.04½
6.54	5.64	Sep	5.73	5.75½	5.71¼	5.74¼	+.06
6.74	5.70	Nov	5.78	5.82	5.76¾	5.80¼	+.06
6.49½	5.80½	Jan	5.89	5.92	5.87¼	5.91	+.06¼
6.60	5.91½	Mar	5.99	6.02¼	5.98	6.01	+.05½
6.62½	6.01	May	6.07½	6.09½	6.06	6.09½	+.06½
6.28¾	5.94	Nov	6.04	6.04	6.01	6.03¼	+.02¾
Est. Sales		Prev. Sales 24,945					
Prev. Day Open Int.103,924 off 3,969							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
209.00	167.80	Jul	172.50	174.80	172.50	174.70	+3.00
195.50	169.90	Aug	173.80	175.30	173.00	175.20	+2.90
193.50	171.30	Sep	173.00	175.30	173.00	175.20	+2.70
189.00	171.80	Oct	173.60	175.30	173.60	175.30	+2.60
191.50	173.30	Dec	174.70	177.20	174.50	177.10	+2.80
190.50	174.70	Jan	175.80	178.00	175.80	178.30	+2.80
180.00	177.00	Mar	178.60	181.00	178.60	181.00	+3.60
191.00	178.00	May	182.50	182.50	182.50	182.50	+4.40
184.00	181.50	Jul	183.00	183.00	183.00	183.00	+2.80
Est. Sales		Prev. Sales 14,848					
Prev. Day Open Int. 59,649 off 386							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.60	19.17	Jul	19.55	19.60	19.32	19.38	—.13
25.50	19.34	Aug	19.73	19.78	19.53	19.56	—.15
25.10	19.54	Sep	19.94	19.95	19.73	19.74	—.15
24.90	19.72	Oct	20.10	20.15	19.88	19.93	—.14
24.05	20.06	Dec	20.42	20.52	20.25	20.33	—.09
24.15	20.42	Jan	20.55	20.65	20.45	20.52	—.08
23.50	20.10	Mar	20.95	20.95	20.85	20.88	—.07
23.62	20.90	May	21.30	21.30	21.30	21.17	—.09
22.50	21.45	Jul				21.37	—.14
22.10	22.10	Aug				21.40	—.30
Est. Sales		Prev. Sales 14,747					
Prev. Day Open Int. 75,183 up 264							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
78.37	72.15	Jun	74.25	74.35	73.60	73.65	—.82
75.80	70.35	Aug	72.55	72.65	72.07	72.15	—.77
76.90	70.70	Oct	74.25	74.42	74.20	74.37	—.43
77.00	71.75	Dec	75.75	75.90	75.52	75.67	—.28
76.70	72.80	Feb	75.42	75.60	75.27	75.57	—.05
77.80	75.25	Apr	75.90	76.80	75.55	75.55	—.35
75.15	73.82	Jun	74.25	74.30	74.10	74.10	—.37
Est. Sales 16,888		Prev. Sales 9,584					
Prev. Day Open Int. 69,771 up 534							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
89.80	80.20	Aug	88.20	88.35	87.42	87.47	—1.15
88.10	79.75	Sep	87.20	87.32	86.35	86.37	—1.35
87.90	80.20	Oct	86.77	86.87	86.10	86.25	—.97
87.85	81.20	Nov	86.80	87.05	86.25	86.27	—.83
87.80	84.00	Jan	86.75	86.95	86.30	86.30	—.75
87.10	84.75	Mar	85.70	85.70	85.70	85.50	—.60
87.00	84.50	Apr	85.85	85.85	85.50	85.15	—.80
84.50	85.00	May	85.00	85.00	84.50	84.50	—.70
Est. Sales 3,394		Prev. Sales 1,082					
Prev. Day Open Int. 13,643 up 73							
HOGS (CME) 40,000 lbs.- cents per lb.							
59.20	47.70	Jun	57.20	57.55	57.10	57.47	+.25
58.37	48.30	Jul	54.90	55.20	54.50	54.87	—.03
55.50	46.90	Aug	51.27	51.75	51.02	51.40	+.33
49.55	42.90	Oct	44.10	44.20	43.77	44.10	—.10
48.92	44.50	Dec	44.75	44.95	44.55	44.95	+.13
48.25	44.50	Feb	46.30	46.30	46.15	46.50	+.15
46.62	44.35	Apr	44.40	44.50	44.40	44.50	
58.60	49.00	Jun				48.70	
Est. Sales 6,799		Prev. Sales 5,882					
Prev. Day Open Int. 20,817 off 446							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
72.80	50.75	Jul	53.50	54.00	52.75	53.52	+.35
70.85	50.05	Aug	50.70	51.40	50.25	51.60	+.40
62.00	51.65	Feb	52.55	53.00	52.10	52.47	+.07
61.00	53.40	Mar	52.50	52.50	52.50	52.10	+.30
58.20	51.40	May				51.80	
57.00	54.50	Jul				52.17	
Est. Sales 4,162		Prev. Sales 4,803					
Prev. Day Open Int. 10,451 off 283							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
111.50	83.90	Jul	83.40	84.80	83.20	83.20	—1.20
112.50	86.80	Sep	86.85	87.10	85.65	85.75	—1.10
114.00	89.15	Dec	90.10	90.50	89.15	89.30	—.90
107.50	92.20	Mar	92.40	93.40	92.90	92.40	—.70
108.00	94.50	May				94.55	—.58
108.00	96.50	Jul	96.50	96.50	96.25	96.90	—.55
108.00	98.75	Sep	99.25	99.25	99.25	99.25	—.50
Est. Sales 17,790		Prev. Sales					
Prev. Day Open Int.							
SUGAR WORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
14.90	7.55	Jul	9.97	10.08	9.88	9.97	+.07
14.40	7.45	Oct	8.77	8.90	8.68	8.77	+.04
10.14	7.56	Mar	8.56	8.69	8.46	8.58	+.07
9.77	7.65	May	8.68	8.68	8.53	8.61	+.08
8.85	7.85	Jul	8.60	8.68	8.60	8.66	+.08
8.85	8.05	Oct				8.73	+.08
Est. Sales 21,025		Prev. Sales 31,231					
Prev. Day Open Int.							
COCOA (NYCSCE) 10 metric tons-$ per ton							
1598	908	Jul	940	950	925	926	—17
1515	968	Sep	992	998	980	981	—7
1535	1007	Dec	1039	1040	1029	1030	—5
1538	1054	Mar	1083	1083	1072	1072	—5
1385	1090	May	1108	1108	1107	1100	+1
1385	1116	Jul	1140	1140	1135	1129	—2
1220	1143	Sep	1168	1168	1167	1157	—2
		Dec				1200	—2
		Mar				1240	—2
1282	1282	May				1267	—2
Est. Sales 2,721		Prev. Sales					
Prev. Day Open Int.							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
180.00	102.50	Jul	115.20	116.00	114.85	115.90	+.30
127.00	106.00	Sep	117.40	119.00	117.35	118.10	+.05
121.00	111.00	Nov	118.00	118.90	118.00	118.00	
120.50	113.40	Jan	117.35	117.90	117.25	117.25	—.10
120.80	113.60	Mar	117.40	118.00	117.40	117.25	—.10
118.00	117.00	May				117.25	—.10
Est. Sales 1,800		Prev. Sales 700					
Prev. Day Open Int.							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
115.00	95.00	Jun	99.50	99.50	99.00	99.10	+.50
113.50	96.05	Jul	99.40	100.00	99.15	99.25	+.20
109.00	94.10	Aug	98.80	98.80	98.30	98.40	+.20
110.50	95.40	Sep	98.00	98.80	97.90	98.05	+.20
106.00	95.20	Oct	97.80	97.80	97.80	97.40	+.20
105.50	95.10	Nov	97.30	97.30	97.30	97.15	+.15
108.50	94.50	Dec	97.00	97.20	96.70	96.70	+.15
104.50	95.00	Jan				96.30	+.15
105.10	95.00	Feb				95.85	+.10
106.80	93.90	Mar	95.60	95.65	95.60	95.45	+.10
99.10	93.50	Apr	95.25	95.25	95.25	95.05	+.10
106.20	93.20	May	94.80	94.80	94.80	94.65	+.10
103.80	92.80	Jul				93.90	+.10
103.45	92.80	Sep	93.40	93.50	93.40	93.20	+.10
100.50	91.40	Dec	92.90	92.90	92.90	92.70	+.10
93.30	93.30	Jan				92.40	+.10
94.65	92.80	Mar				92.15	+.10
Est. Sales 300		Prev. Sales 4,500					
Prev. Day Open Int.							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
455.0	389.5	Jun				443.4	—1.4
667.5	360.1	Jul	441.5	446.0	438.0	444.0	—1.5
		Aug				444.8	—1.5
654.0	367.5	Sep	448.0	451.0	444.8	449.5	—1.6
623.5	374.0	Dec	456.0	459.5	452.5	457.4	—1.6
596.0	402.0	Jan				459.7	—1.6
613.0	382.0	Mar	463.5	467.0	462.0	465.8	—1.6
589.0	385.8	May	470.0	471.0	470.0	471.5	—1.6
557.0	395.0	Jul				477.2	—1.6
482.5	412.0	Sep	481.0	481.0	481.0	483.8	—1.6
507.0	408.0	Dec	494.8	494.8	492.0	493.9	—1.6
505.0	440.0	Jan				497.5	—1.6
513.0	457.0	Mar				504.3	—1.6
Est. Sales 26,000		Prev. Sales 26,000					
Prev. Day Open Int.							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
383.50	364.00	Jun				369.70	—2.10
328.50	366.00	Jul	370.00	371.00	368.00	369.90	—2.10
513.00	370.50	Oct	374.20	375.00	372.50	374.10	—2.50
451.50	374.50	Jan	380.00	379.50	377.00	378.20	—2.40
438.50	378.00	Apr	382.00	382.00	382.00	382.30	—2.40
427.50	380.80	Jul				386.30	—2.40
Est. Sales		Prev. Sales 2,637					
Prev. Day Open Int. 19,188							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
125.25	80.00	Jun				97.85	+1.45
119.40	80.75	Sep	97.00	98.90	97.00	98.85	+1.45
114.50	82.50	Dec	99.50	100.00	99.50	99.95	+1.45
135.75	88.75	Mar	100.00	100.00	100.00	100.95	+1.45
100.50	100.50	Jun	100.50	100.50	100.50	102.45	+1.45
Est. Sales		Prev. Sales 91					
Prev. Day Open Int. 4,439							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
464.20	352.60	Jun	368.00	369.00	367.70	368.40	+.30
345.50	357.00	Jul				369.50	+.30
468.00	353.90	Aug	370.60	371.30	369.50	371.10	+.30
476.00	359.30	Oct	374.00	374.30	373.30	374.40	+.30
483.00	362.00	Dec	377.50	378.30	376.50	378.00	+.30
456.50	366.00	Feb				381.40	+.30
446.00	369.70	Apr	383.30	383.30	383.30	384.80	+.30
467.00	375.00	Jun				388.30	+.30
426.50	377.50	Aug				391.90	+.30
410.80	389.30	Oct				395.60	+.30
406.80	383.50	Dec	399.20	399.20	399.20	399.50	+.30
		Feb				403.60	+.30
410.00	404.50	Apr				407.60	+.30
Est. Sales 20,000		Prev. Sales 32,000					
Prev. Day Open Int.							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
94.62	91.52	Jun	94.34	94.40	94.34	94.39	+.04
94.55	91.60	Sep	94.20	94.28	94.19	94.26	+.06
94.16	92.34	Dec	93.74	93.84	93.75	93.83	+.06
94.03	93.42	Mar	93.73	93.75	93.73	93.77	+.06
93.50	93.15	Jun				93.59	+.07
		Sep				93.28	
Est. Sales		Prev. Sales 5,229					
Prev. Day Open Int. 48,177 up 166							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
81.285	99.010	Jun	99.310	100.015	99.310	100.015	+.010
00.230	98.275	Sep	99.185	99.135	99.180	99.135	+.015
98.275	98.190	Dec				98.280	+.015
Est. Sales		Prev. Sales 10,378					
Prev. Day Open Int. 63,855 up 1,217							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
100-21	93-18	Jun	97-17	97-18	97-12	97-14	—4
100-1	96-1	Sep	96-26	96-28	96-21	96-26	—1
98-12	95-15	Dec	96-5	96-8	96-4	96-5	—1
97-5	95-8	Mar				95-21	—1
Est. Sales		Prev. Sales 25,348					
Prev. Day Open Int. 82,354 off 1,056							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
99-4	82-18	Jun	93-12	93-14	93-6	93-9	—4
99-5	82-23	Sep	92-19	92-23	92-12	92-20	+1
98-20	85-19	Dec	91-28	92	91-22	91-29	
98-12	85-14	Mar	91-8	91-12	91-5	91-11	
97-19	85-3	Jun	90-27	90-29	90-21	90-26	
95-8	87-14	Sep	90-6	90-11	90-6	90-11	
94-11	85-6	Dec				89-29	
Est. Sales		Prev. Sales 334,585					
Prev. Day Open Int.259,869 off 5,502							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
93-2	84-26	Jun	91-16	91-21	91-16	91-20	+7
92-11	84-7	Sep	89-22	89-30	89-20	89-30	+6
91-11	88-16	Dec				89-5	+7
Est. Sales		Prev. Sales 1,891					
Prev. Day Open Int. 6,646 off 57							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
93.77	90.04	Sep	93.44	93.48	93.43	93.47	+.02
93.33	90.04	Dec	92.85	92.87	92.83	92.86	
93.17	90.07	Mar	92.72	92.77	92.71	92.76	+.02
92.77	90.35	Jun	92.31	92.35	92.29	92.35	+.03
92.44	90.32	Sep	91.95	91.98	91.94	91.98	+.02
92.10	90.24	Dec	91.42	91.45	91.42	91.45	+.01
92.03	90.28	Mar	91.44	91.44	91.40	91.43	+.01
91.80	90.27	Jun	91.48	91.51	91.48	91.50	
91.81	90.27	Sep	91.37	91.38	91.36	91.38	
91.44	90.22	Dec	91.18	91.18	91.16	91.18	
91.44	90.34	Mar	91.18	91.19	91.17	91.19	
91.57	90.40	Jun	91.12	91.13	91.11	91.13	
91.32	90.38	Sep	91.02	91.03	91.02	91.03	
91.44	90.71	Dec	90.83	90.87	90.83	90.85	
91.09	90.75	Mar	90.90	90.91	90.90	90.91	+.07
		Jun	90.84	90.84	90.84	90.84	+.10
Est. Sales		Prev. Sales 148,276					
Prev. Day Open Int.760,773 off 5,460							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9340	1.5896	Sep	1.5930	1.6182	1.5942	1.6164	+188
1.7900	1.5730	Dec	1.5786	1.6040	1.5786	1.6032	+188
		Mar	1.5910	1.5978	1.5910	1.5896	+188
Est. Sales		Prev. Sales 43,374					
Prev. Day Open Int. 44,321 up 422							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8706	.7985	Sep	.8694	.8705	.8691	.8694	—8
.8640	.8175	Dec	.8645	.8658	.8645	.8647	—9
.8606	.8268	Mar	.8608	.8616	.8608	.8607	—9
.8575	.8330	Jun				.8566	—9
.8480	.8420	Sep				.8532	—9
Est. Sales		Prev. Sales 1,809					
Prev. Day Open Int. 37,477 up 725							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6810	.5463	Sep	.5484	.5558	.5483	.5548	+81
.6778	.5430	Dec	.5443	.5526	.5443	.5514	+81
.5840	.5425	Mar				.5489	+82
Est. Sales		Prev. Sales 49,245					
Prev. Day Open Int. 92,744 up 2,265							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007870	.007005	Sep	.007072	.007125	.007071	.007112	+37
.007539	.006997	Dec	.007059	.007108	.007059	.007097	+37
.007302	.007080	Mar				.007096	+37
.007220	.007150	Jun				.007097	+37
Est. Sales		Prev. Sales 14,985					
Prev. Day Open Int. 64,631 off 5							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8055	.6363	Sep	.6394	.6484	.6393	.6466	+101
.8090	.6334	Dec	.6400	.6440	.6390	.6445	+102
.6995	.6541	Mar				.6436	+103
Est. Sales		Prev. Sales 21,281					
Prev. Day Open Int. 51,487 up 375							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
94.45	65.67	Jul	81.30	81.80	80.75	81.05	—1.52
83.30	64.77	Oct	78.20	79.25	77.90	78.25	—.39
76.35	63.75	Dec	73.80	74.82	73.75	74.04	+.04
77.15	64.65	Mar	74.80	75.70	74.80	75.05	+.18
92.25	65.10	May	75.15	76.18	75.15	75.25	+.20
77.70	66.50	Jul	75.61	76.25	75.55	75.57	—.09
68.75	68.00	Oct	69.80	69.50	69.00	69.22	+1.22
		Dec				67.87	+1.12
Est. Sales 6,500		Prev. Sales 10,000					
Prev. Day Open Int.							
HEATING OIL (NYME) 42,000 gal- cents per gal							
85.00	48.00	Jul	53.75	53.85	53.25	53.70	—.19
85.07	49.00	Aug	54.45	54.55	53.95	54.35	—.28
84.28	50.25	Sep	55.65	55.80	55.30	55.70	—.37
85.00	51.30	Oct	56.85	56.95	56.40	56.85	—.40
78.80	52.30	Nov	57.95	58.15	57.80	57.95	—.40
82.62	53.30	Dec	58.90	59.05	58.80	58.95	—.40
68.50	53.40	Jan	59.20	59.40	58.95	59.30	—.35
61.30	52.25	Feb	58.25	58.40	57.90	58.15	—.35
59.50	51.40	Mar	56.80	56.00	55.65	55.85	—.40
57.50	50.00	Apr	54.05	54.05	53.70	53.70	—.40
55.75	49.25	May	52.50	52.80	52.50	52.55	—.40
55.20	48.80	Jun	51.70	51.70	51.70	51.70	—.35
56.00	51.75	Jul	51.40	51.70	51.40	51.70	—.30
53.40	52.75	Aug	52.75	52.75	52.75	52.75	+.45
54.90	54.90	Sep	53.75	53.75	53.75	53.75	+.45
Est. Sales		Prev. Sales 19,315					
Prev. Day Open Int.107,146 up 709							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
30.40	16.80	Jul	20.13	20.25	19.83	19.98	—.15
29.50	16.90	Aug	20.08	20.10	19.73	19.87	—.20
28.72	16.90	Sep	20.08	20.13	19.82	19.90	—.20
28.40	17.04	Oct	20.18	20.24	19.93	20.00	—.20
28.10	17.20	Nov	20.29	20.29	20.00	20.13	—.17
27.70	17.10	Dec	20.31	20.31	20.05	20.05	—.22
27.80	17.25	Jan	20.21	20.21	19.95	20.00	—.24
27.80	17.50	Feb	20.10	20.10	19.96	19.98	—.18
26.75	17.25	Mar	20.00	20.00	19.78	19.90	—.17
26.50	17.50	Apr	20.01	20.01	19.73	19.80	—.26
24.60	17.30	May	19.82	19.82	19.73	19.75	—.26
24.50	17.70	Jun	19.80	19.80	19.65	19.65	—.29
22.11	17.90	Jul	19.80	19.80	19.45	19.65	—.30
21.33	17.75	Aug	19.80	19.80	19.68	19.80	—.15
21.40	19.80	Nov	19.90	19.90	19.78	19.78	—.18
21.35	20.81	Jun	20.05	20.05	19.85	19.85	—.14
Est. Sales		Prev. Sales 87,472					
Prev. Day Open Int.282,054 off 9,111							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
82.70	53.25	Jul	62.30	62.60	61.60	61.95	—.85
90.50	53.50	Aug	60.80	60.95	60.30	60.50	—.84
87.00	51.60	Sep	59.50	59.50	58.90	59.15	—.66
84.75	49.75	Oct	57.30	57.30	56.75	56.75	—.48
66.75	48.40	Nov	56.30	56.20	55.60	55.80	—.38
75.25	47.75	Dec	55.50	55.50	54.70	55.30	—.45
58.00	47.80	Jan	55.10	55.10	54.55	54.75	—.45
58.00	50.70	Feb	55.60	55.60	54.60	54.15	—.85
Est. Sales		Prev. Sales 12,486					
Prev. Day Open Int. 75,512							

Stock Indexes

(Indexes compiled shortly before market close)

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
393.50	300.90	Jun	377.25	377.35	374.40	375.45	—3.40
396.05	304.00	Sep	379.80	380.10	377.05	378.20	—3.45
399.85	321.75	Dec	382.40	382.60	380.90	380.85	—4.05
401.05	384.20	Mar	385.20	385.20	385.30	384.30	—3.65
Est. Sales		Prev. Sales 58,985					
Prev. Day Open Int.160,525 up 1,238							
NYSE COMP. INDEX (NYFE) points and cents							
215.25	160.85	Jun	206.50	206.95	205.50	206.20	—1.85
216.40	173.10	Sep	208.05	208.15	206.70	207.25	—2.10
217.60	175.50	Dec	209.45	209.45	208.35	208.70	—2.10
217.90	208.70	Mar	210.30	210.30	210.30	210.30	—2.15
Est. Sales		Prev. Sales					
Prev. Day Open Int.							

Commodity Indexes

	Close	Previous
Moody's	1,064.40	1,058.50
Reuters	1,778.20	1,769.60
Dow Jones Futures	126.01	126.13
Comm. Research	213.38	213.36

EFTA and EC Reach Preliminary Pact

By Charles Goldsmith
International Herald Tribune

BRUSSELS — Norwegian concessions on fishing rights led to a political accord early Wednesday to create a 19-nation European free trade zone, but unresolved issues will prevent completion of the pact next week as previously hoped.

A final agreement between the 12-nation European Community and seven-nation European Free Trade Association could be in place by Aug. 1, ministers said after a marathon negotiating session in Luxembourg that began on Tuesday afternoon.

The ministers had originally hoped to complete a treaty creating a European Economic Area of 380 million people on Tuesday in Salzburg, at a meeting marking the end of Austria's EFTA presidency.

"Politically, the problems have been resolved," Economics Minister Wolfgang Schussel of Austria said at a post-midnight news conference.

"The framework of a political accord has been traced," said Foreign Minister Jacques Poos of Luxembourg, which holds the rotating EC presidency.

However, a note distributed 10 hours later by EC officials in Brussels was not quite so confident.

"Even though the language used by Mr. Poos and his colleague Mr. Schussel may have been too optimistic when they spoke of a 'global political accord' over all the remaining problems, it is nevertheless true that significant progress was made concerning several issues since the last ministerial meeting on May 13," the note said.

The EFTA countries are Norway, Sweden, Finland, Austria, Switzerland, Iceland and Liechtenstein.

Negotiations had been held up since May over Spain's desire to land 30,000 tons of cod per year from EFTA waters, a demand fiercely resisted by Iceland.

On Tuesday night, Norway presented a deadlock-breaking compromise to allow greater Spanish fishing access in Norwegian waters, which should lead to a catch of 20,000 tons yearly by the end of the century as fish stocks grow, diplomats said.

Transit rights concerning the number of heavy trucks allowed on Alpine roads in Austria and Switzerland must still be resolved before a final accord can be reached.

EC transport ministers will discuss the issue later this week.

Officials from both sides hope the new economic area is operational at the same time the EC's single market takes effect on Jan. 1, 1993.

■ Norway Pleased With Deal

Prime Minister Gro Harlem Brundtland of Norway said Wednesday that she was very pleased with an agreement between West Europe's two main trading blocs, paving the way for a huge common market stretching from the Arctic to the Mediterranean.

"We are not worried over more Spanish fishing in the zone around Spitzbergen and less French, British and German vessels there," she said.

But she declined to elaborate on how Norway and EC countries would set exact fishing quotas when the deal comes into force Jan. 1, 1993.

She dismissed allegations that Norway had traded natural resources for market access. "This is a balanced exchange of quotas and has nothing to do with coupling" of resources and markets, she said.

Bundesbank Supported On Plan to Trim Back

Reuters

FRANKFURT — The Bundesbank won an important round Wednesday in its battle for central bank reform when it secured government support for its plan to cut the number of regional central banks.

The Finance Ministry released a draft law on the change, which proposes to cut the number of regional central banks to nine from 11 and involves only a few changes to the Bundesbank's own plan.

"A smaller body like the one outlined in the new government draft will find it much easier to make important policy decisions," said a Commerzbank AG economist, Peter Pietsch.

According to the treaty under which East and West Germany merged Oct. 3, the structure of Germany's independent central bank must change within 12 months to take account of the needs of five new states in eastern Germany.

A majority of top Bundesbank officials had called for fewer regional central banks and a smaller central bank council, the panel that sets monetary policy.

Most states, accusing the Bundesbank of holding too much centralized power, wanted to create new regional central banks for each new east German state.

The states cemented their proposals in April in a draft law put before the Bundesrat, or upper house of parliament, where the opposition Social Democratic Party holds a majority.

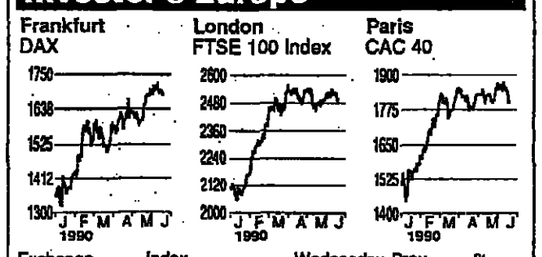
The governing center-right coalition led by Chancellor Helmut Kohl has a majority in the Bundestag, or lower house of parliament.

The Finance Ministry said its proposals, which also call for a cut in the maximum number of Bundesbank board members from 10 to eight, would promote efficient decision-making and take account of the need to integrate the five east German states into the bank's structure.

"Monetary policy is a centralized task," the ministry said.

It also said the new council would be able to react quickly and flexibly to market conditions. The council now comprises the 11 heads of regional central banks in west Germany and six members of the board.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	95.20	96.20	-1.04
Brussels	Stock Index	5787.46	5828.55	-0.70
Frankfurt	DAX	1683.03	1695.42	-0.73
Frankfurt	FAZ	707.55	710.16	-0.37
Helsinki	HEX	1017.00	1024.60	-0.74
London	Financial Times 30	1952.20	1971.90	-1.00
London	FTSE 100	2484.70	2516.00	-1.24
Madrid	General Index	279.67	283.30	-1.28
Milan	MIB	1183.00	1191.00	-0.67
Paris	CAC 40	1798.19	1830.63	-1.77
Stockholm	Affarsvarlden	1113.20	1110.50	+0.24
Vienna	Stock Index	570.12	N.A.	-
Zurich	SBS	627.80	631.90	-0.65

Sources: Reuters, AFP International Herald Tribune

PLANES: *Kuwait's 24-Jet Order for Airbus Catches America by Surprise*

(Continued from page 1)

cial details requiring weeks or months of negotiations.

Rapid availability was one reason for buying the European aircraft, according to industry sources. Airbus Industrie was able to rearrange its production schedules to begin deliveries next year, replacing Airbus aircraft that the Iraqis looted from Kuwait airport. Iraq sent six of those planes to Iran, which is now holding onto them as war reparations. A spokesman for Boeing Co. said production at the Seattle manufacturer was booked for years ahead.

Boeing was prime supplier to Kuwait Airways until the carrier acquired Airbuses in the early 1980s. The airline owns four Boeing 747s, a 767 and three 727s, which were out of the country at the time of the Iraqi invasion. The Iraqis also destroyed two 767s and a 727.

McDonnell Douglas is not a supplier to the airline.

Explaining Kuwait Airways' decision to re-equip with Airbus planes in the largest single deal in its history, Ahmed Mishari, the chairman, said the airline was pleased by the planes' reliability, profitability and comfort for passengers.

Industry sources said that once an airline invests in a certain brand of aircraft, it is difficult to make it change its strategy unless there are compelling reasons to do so. Kuwait Airways has already made a big investment in training, technology and spares for Airbus operations, and it therefore made sense to continue using the same kind of planes it was flying before the invasion, industry experts said. Retraining, retooling and re-equipping to receive a new airliner can typically cost 15 percent of the capital cost of the aircraft themselves.

The Kuwaitis agreed to by three A320 widebody jets, three A310-300s, five A300-600Rs and four A340-200s. They also took options on two A321s, three A300-600Rs and four A340-200s.

The A340, the first of which will fly later this year, is designed to carry fewer than 300 passengers on "long-thin routes," with limited, but high-value, traffic. The Boeing contender for this market segment is the 777, which is not scheduled to go into service until 1995. The McDonnell Douglas MD-11, which is already in production, is also a challenger for the long-range, medium-capacity routes.

Manufacturers and airlines often wait until the air show to announce major new orders — in fact, Airbus has been embarrassed this week by a leak that it is about to sell up to 75 aircraft to the Federal Express Corp., which still had not been confirmed as of Wednesday night. Despite the hooplah surrounding the announcements — more so because of the general dearth of orders — the business of buying new aircraft is usually extremely protracted.

Airbus Seeks U.S. Talks

Reuters

PARIS — Ministers from the four Airbus Industrie nations said Wednesday that they hoped the United States would agree to multilateral talks on aircraft industry subsidies under the GATT Civil Aircraft Code.

"We regret that a bilateral accord with the U.S. has not been reached but we hope for a positive response" to the European proposal to hold multilateral talks under the Civil Aircraft Code, French Transport Minister Paul Quilès told reporters after a meeting of the ministers here.

This month, the United States registered a broad complaint with the General Agreement on Tariffs and Trade charging that subsidies for the development of Airbus planes violate free trade rules. Airbus is a British, French, German and Spanish consortium.

Germany's Trade Union Movement To Float 25% of Insurance Group

Reuters

FRANKFURT — Germany's trade union movement said Wednesday it was selling a 25 percent stake in the country's third-largest life insurance group in what is expected to be the country's second-largest bourse flotation ever.

Beteiligungsgesellschaft für Gemeinwirtschaft AG, the union's financial holding company, said the price for the stake in Volksfürsorge Deutsche Lebensversicherung AG would be set early next month. Bankers are expecting a price of more than 800 Deutsche marks ($440) each for the 1 million shares on offer.

The second-largest deal to date was a 775 million DM flotation of shares in engineering company Gea AG. Germany's largest share transaction ever was a 2 billion DM float in 1986 of Feldmühle Nobel AG, the core of an industrial empire owned by the Flick family.

The Volksfürsorge flotation will be carried out by a group of international banks and will be lead managed by Deutsche Bank AG, the country's largest bank. Shares will be traded on the stock exchanges in Hamburg, Berlin and Frankfurt.

THOMSON: *France Holds Line on Aid to Company*

(Continued from first finance page)

with the previous government's proposal for a capital injection into Thomson."

The EC announcements followed a meeting in Paris on Friday between Sir Leon and Mrs. Cresson, at which it was made clear that the Community would take a firm line in a formal procedure to determine if the capital infusion violated EC competition rules.

In a statement after relaying the apparent French decision to other EC commissioners at their weekly meeting, Sir Leon said: "They have given the Commission a firm commitment that no aid has been paid to the company, that they will not go ahead with the financial support already proposed, and that any new proposal for financial support to Thomson will be communicated to the Commission in sufficient time."

Sir Leon also said he would delay for a few weeks a formal investigation into the French government's plans for a 4 billion franc capital infusion into Bull. His decision, he said, was due to "discussions that are taking place about the structure of the company," a reference to talks aimed at giving NEC Corp. of Japan a 5 percent stake in Bull.

EC law treats state-owned companies as it does private ones, so the Commission must determine if an infusion of government cash represents competition-distorting state aid or normal equity capital by a shareholder acting under normal market conditions. If competition is considered infringed, the Commission can block the aid.

MINI: *Sony Sees Future for a New, More-Compact Disk*

(Continued from first finance page)

players sometimes skip. In MD machines, special circuitry feeds three seconds of music into a 1-megabit memory chip before it is played — meaning that if the music is garbled, the machine has time to read it again.

The last trick was to design a way to record data without gobs of electricity, because the MD will be used in battery-operated portables. Some other systems require two lasers — one for erasing data by heating up a spot on the disk to 400 degrees Farenheit, one for recording. The Sony system, using a single laser, can perform these operations in a single pass over the disk.

While the technology has been much admired, the MD itself has not. The biggest critic is Philips, Sony's onetime ally in CDs. Next year, around the time that the mini disk appears on the market, Philips is bringing out the digital compact cassette, or DCC.

Like digital audio tape, the technology that Sony and other electronics makers here have tried to promote for years, the cassettes have nearly the sound quality of compact disks.

But unlike digital audio tape or mini disk machines, the new digital cassette players will also play the billions of conventional cassette tapes that have been sold during the past two decades.

Some are already complaining that Sony, by leaving consumers dizzy with yet another incompatible technology, is risking ruin for the industry.

Alain Levy, who heads Philips' recording business, Polygram Records, says Sony "thinks the rest of the world is like Japan" — in love with the compact disk and willing to buy the latest technology. The percentage of the population that owns CD players in gadget-happy Japan is far higher than anyplace else.

"We can sell a lot more tapes, and a lot more CDs, without confusing the world with a new format," Mr. Levy said. Among his new allies is Sony's archrival, Matsushita Electric Industrial Co.

The winner will be whichever format attracts the most software — whether M.C. Hammer and Mozart drift to the Sony camp or the Philips one. Sony's record on promoting new formats is spotty at best.

The failure of Betamax to attract good programs ultimately led to its failure as a videocassette format. That shortcoming started Sony on its buying spree in recent years, starting with CBS Records and moving on to Columbia Pictures.

Yet even with CBS Records and all its top-selling titles in hand, Sony was unable to make digital audio tape a success. Last year, when digital audio tape sales were expected to boom, only 150,000 players were sold.

Weekley net asset value

Leveraged Capital Holdings N.V.

on **17-06-1991 U.S. $391.99**

Listed on the Amsterdam Stock Exchange

Information:
Pierson, Heldring & Pierson N.V.
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Tel. + 31-20-5211410.

IFDC JAPAN FUND
Société d'Investissement à Capital Variable
Registered Office: 2, boulevard Royal, L-2953 LUXEMBOURG
R.C. LUXEMBOURG: B - 21694

Notice is hereby given to the shareholders, that the

Annual General Meeting

of shareholders of IFDC JAPAN FUND will be held at the company's head office, 2, boulevard Royal, 2953 Luxembourg, on June 28th, 1991 at 3.00 p.m. with the following agenda:

1. **Submission of the Reports of the Board of Directors and of the Independent Auditor.**
2. **Approval of the Statements of Net Assets and Liabilities and of the Statements of Operations for the year ended as at March 31st, 1991; Appropriation of the results.**
3. **Discharge of the Directors.**
4. **Statutory appointment.**
5. **Miscellaneous.**

The shareholders are advised that no quorum is required for the items on the agenda of the annual general meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting.

In order to attend the meeting of IFDC JAPAN FUND the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Company or with Banque Internationale à Luxembourg.

SCI TECH S.A.
SICAV
2, boulevard Royal, L-2953 Luxembourg
R.C. LUXEMBOURG B-20058

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders of SCI TECH S.A. will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2, boulevard Royal, L-2953 Luxembourg, on Friday, June 28, 1991 at 3:00 p.m. with the following agenda:

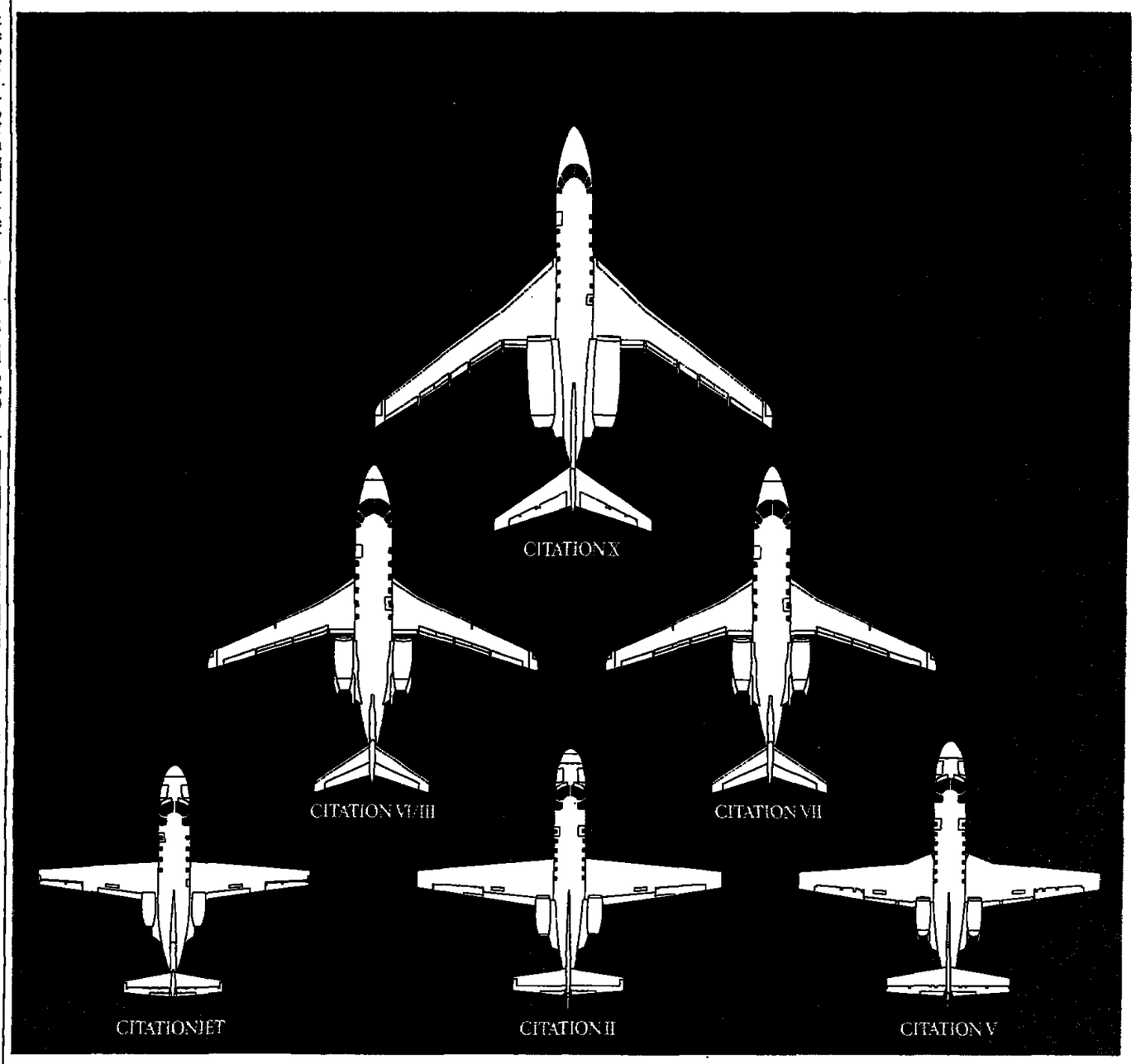
1. **Submission of the reports of the Board of Directors and of the Auditor;**
2. **Approval of the Statement of Net Assets and of the Statement of Operations as at March 31, 1991;**
3. **Appropriation of net results;**
4. **Discharge of the Directors and of the Auditor with respect to their performance of duties for the year ended March 31, 1991;**
5. **Election or reelection of Directors;**
6. **Miscellaneous.**

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting with no restriction.

In order to attend the meeting of June 28, 1991 the owners of bearer shares will have to deposit their shares FIVE clear days before the meeting at the registered office of the Company or with one of the following banks:

— **BANQUE INTERNATIONALE A LUXEMBOURG 2, boulevard Royal, L-2953 LUXEMBOURG.**
— **BANK MEES & HOPES N.V. 548 Herengracht, NL-1017 CG AMSTERDAM.**
— **LOMBARD ODIER & CIE 11, rue de la Corraterie, CH-1204 GENEVE.**

The Board of Directors



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For information on specific Citation models, write to Cessna Aircraft Company; Coworth Park House; Coworth Park; Ascot, Berkshire SL5 7SF. Tel.: 44-344-873222. Fax: 44-344-27275. U.K. residents only: 0344-873222. Fax: 0344-27275.

The Sensible Citations

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NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

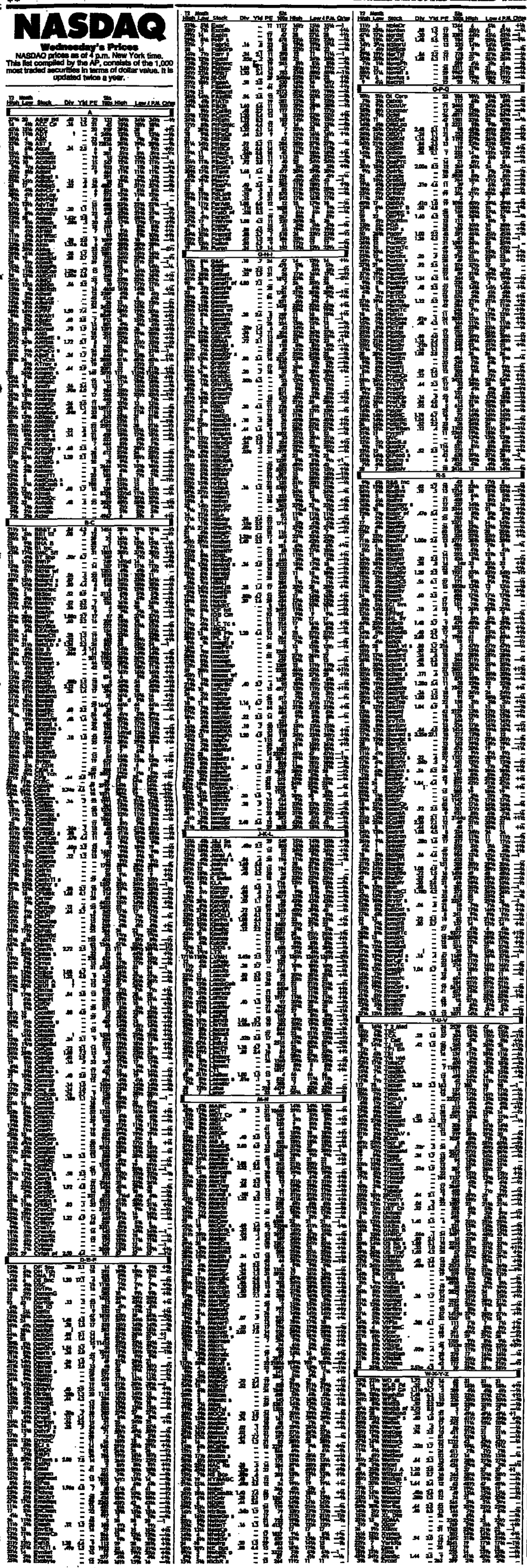
The World's *Fastest* 386 Is... AMD's Am386™

(Continued on page 12)

NASDAQ

Wednesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

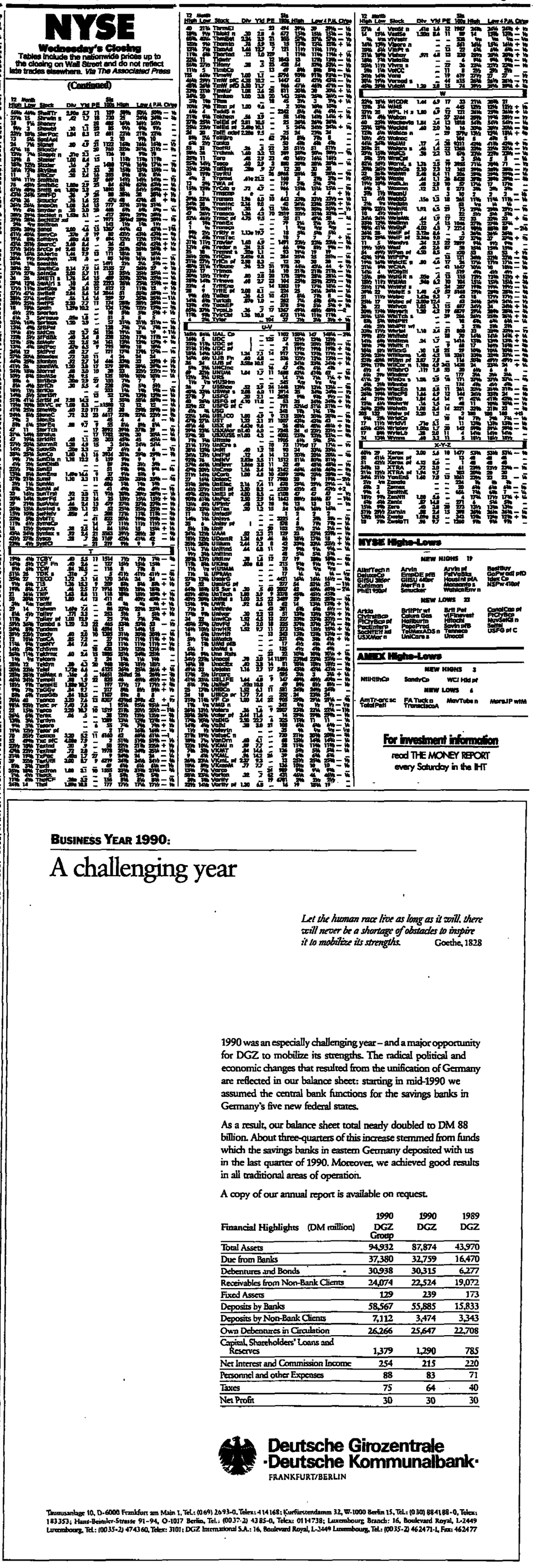


NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)



NYSE Highs-Lows

NEW HIGHS 19

AlliedTech n | Arvin | Arvin pf | BestBuy
DeltonaCp | EmpDE pfB | EPVyBks | GaPw cap pfD
GtSU 3.50pf | GtSU 4.48pf | HousInt pfA | Idex Co
Kuhlman | MerFn s | Monsanto s | NSPw 4.18pf
PhilEl 9.50pf | Smucker | WshcknEnv n

NEW LOWS 33

Arkla | BrltPtr wt | Brlt Pet | CntrlCos pf
CtyInvBco | Coburn Gas | V(FInterest | PCOrBCo
FtCtyBcp pf | HstBurrm | Hitachi | NorSetGt n
PaceIntgrtg | PapaProd | Savin pfB | Sealol
SoCNTEH ad | TelMexADS n | Tennaco | USFG pf C
USXMar n | UniCare s | Unocal

AMEX Highs-Lows

NEW HIGHS 3

NtlHlthCp | SandyCp | WCI Hld pf

NEW LOWS 6

AmTr-Grc sc | FA Tuck n | MavTube n | MorsJP wtA
TotalPetN | TransciscoA

For investment information
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every Saturday in the IHT

BUSINESS YEAR 1990:

A challenging year

Let the human race live as long as it will, there will never be a shortage of obstacles to inspire it to mobilize its strengths. Goethe, 1828

1990 was an especially challenging year – and a major opportunity for DGZ to mobilize its strengths. The radical political and economic changes that resulted from the unification of Germany are reflected in our balance sheet: starting in mid-1990 we assumed the central bank functions for the savings banks in Germany's five new federal states.

As a result, our balance sheet total nearly doubled to DM 88 billion. About three-quarters of this increase stemmed from funds which the savings banks in eastern Germany deposited with us in the last quarter of 1990. Moreover, we achieved good results in all traditional areas of operation.

A copy of our annual report is available on request.

Financial Highlights (DM million)	1990 DGZ Group	1990 DGZ	1989 DGZ
Total Assets	94,932	87,874	43,970
Due from Banks	37,380	32,759	16,470
Debentures and Bonds	30,938	30,315	6,277
Receivables from Non-Bank Clients	24,074	22,524	19,072
Fixed Assets	129	239	173
Deposits by Banks	58,567	55,885	15,833
Deposits by Non-Bank Clients	7,112	3,474	3,343
Own Debentures in Circulation	26,266	25,647	22,708
Capital, Shareholders' Loans and Reserves	1,379	1,290	785
Net Interest and Commission Income	254	215	220
Personnel and other Expenses	88	83	71
Taxes	75	64	40
Net Profit	30	30	30

Deutsche Girozentrale
·Deutsche Kommunalbank·
FRANKFURT/BERLIN

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AMEX

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
		A								
9¾	7½	AIM Str	.84	10.0	-	84	8½	8⅜	8⅜	-
2	¼	AIM Tel		-	-	60	¾	¾	¾	-
9¾	3	AMC		-	27	7	6¼	6¼	6¼	-⅛
2⅝	⅛	AOI		-	-	20	⅜	⅜	⅜	-
23¾	⅜	AT&E		-	-	646	⅜	½	⅝	+⅛
56⅝	45¼	ATT Fd	2.54e	5.1	-	77	50⅝	49½	49½	-⅝
13⅝	2⅜	ATI		-	14	85	4	3⅝	3⅝	-⅛
11¼	5	Ablamd		-	-	4	7⅛	7⅛	7⅛	-¼
7⅞	4⅝	AcmeU	.20e	4.0	13	5	5	4⅞	5	-
5⅜	2	Action		-	-	174	5⅜	5⅜	5⅜	-
12¾	3⅜	Acton		-	-	28	4	3⅞	3⅞	-⅛
2	⅝	AdmRs		-	8	25	1½	1½	1½	-⅛
13	6¼	AdvMed		-	-	191	11	10⅞	10⅞	-⅛
8⅜	6	AdMd pf	1.00	12.5	-	13	8	8	8	-
30⅜	11⅛	AirWat		-	48	555	17½	17	17¼	-⅜
29⅝	10⅝	AirExp		-	12	91	28⅝	28¼	28¼	-⅛
7⅝	1⅝	Aircoa		-	-	16	2⅛	2	2	-⅛
14	12¼	Alaist n		-	-	3	13⅝	13⅝	13⅝	+⅛
4⅞	2⅜	Alamco		-	13	11	3⅞	3⅞	3⅞	+⅛
8⅝	5⅝	AlbaW		-	9	6	7⅝	7⅝	7⅝	+⅛
2⅝	¾	Alfin		-	-	24	1⅛	1⅛	1⅛	-⅛
4½	1⅝	AllouH		-	7	115	4⅝	4	4	-
1⅞	⅝	Allou wt		-	-	105	1⅛	⅞	1⅛	+⅛
1⅝	⅛	Allstar		-	-	40	½	½	½	-
4¼	2⅜	Alphain		-	19	9	3½	3⅜	3⅜	-⅛
5⅜	1	AlpinGr		-	-	31	4⅝	4¼	4⅜	-⅛
50½	40⅞	Alcoa pf	3.75	8.1	-	z800	46½	46½	46½	-⅛
68⅝	34⅝	Alza		-	77	1617	58⅝	56⅝	57⅞	-1⅛
47⅝	24⅝	Alza wt		-	-	71	36⅝	35⅝	35⅝	-1
18⅝	10	Amdhl	.10	.6	10	1026	15⅝	15⅝	15⅝	-⅛
14⅝	11	AFstP2	1.47	12.5	-	7	13⅝	13⅝	13⅝	-⅛
4⅝	2⅛	AExpl		-	39	83	2⅜	2⅜	2⅜	-⅛
25⅝	19⅝	AFruc A	.40	1.9	9	90	21⅝	21⅜	21⅜	-⅛
22⅝	16	AFruc B	.40	1.8	10	195	22	22	22	+⅛
3⅝	¾	AHltMg		-	-	662	2⅝	2⅜	2⅜	+⅛
41	23¼	AIsrael	.36e	.9	13	6	38⅝	38⅜	38⅜	+½
27⅝	16⅝	AmList	1.25e	5.8	19	1	21½	21½	21½	-⅛
23⅝	16	AMzeA	.44	2.2	10	27	20	19⅝	20	+⅛
22	16⅝	AMzeB	.44	2.0	11	17	21	20⅝	21	+⅛
13	4	AMed		-	-	805	11⅛	11⅛	11⅛	-
9½	5⅝	AmOil		-	13	6	8⅝	8⅝	8⅝	-⅛
18	6⅝	APrec s	.20	2.8	15	141	7⅝	7	7⅛	-⅛
15¾	9	ARelian	.48	3.2	5	4	15⅛	15⅛	15⅛	-
11⅝	9⅝	ARestr	1.50a	15.4	7	8	9⅝	9⅝	9⅝	-
8⅝	4½	AScIE		-	-	39	6⅛	6	6	-⅛
3⅝	1	AmShrd		-	-	10	2⅝	2⅝	2⅝	+⅛
9	3⅛	AmSwM	1.40	17.2	8	634	8⅝	8	8⅛	-
2⅛	1	ATechC		-	-	5	1⅛	1½	1½	-⅛
44¼	38⅞	A-aho	2.27	5.2	-	56	44	43¾	43¾	-⅛
19½	5¼	A-aho sc		-	-	73	16⅛	16	16	-⅛
3¼	⅝	A-aap sc		-	-	67	1	⅞	1	-
28⅝	24⅝	A-att2	1.27	4.4	-	112	28⅞	28⅝	28⅝	-
15⅝	3	A-att2 sc		-	-	1224	9⅝	8⅝	9¼	-⅛
48⅝	43¼	A-an	2.17	4.6	-	78	47¼	46⅞	46⅞	-⅜
12½	4½	A-an sc		-	-	214	5½	4⅞	5⅛	-⅛
109½	98¼	A-arc	5.45	5.2	-	70	104⅝	104½	104⅝	-⅛
36	14	A-arc sc		-	-	86	13½d	12	12¼	-1¼
53⅝	46	A-bmy	2.37	4.4	-	4	53½	53¼	53½	+¼
31⅝	9	A-bmy sc		-	-	376	27¼	26⅝	27	-⅛
69¼	58½	A-chv	3.05	4.8	-	202	64⅝	63⅝	63⅝	-⅛
15⅝	5⅝	A-chv sc		-	-	363	6½	6⅛	6⅛	-⅛
27⅝	24⅝	A-ko	.93	3.5	-	15	26⅝	26⅝	26⅝	+¼
31	13⅝	A-ko sc		-	-	81	27⅝	27⅝	27⅝	-⅛
57⅛	34⅝	A-dow	2.57	4.9	-	47	52⅝	51⅝	52⅝	-
9⅝	1⅝	A-dow sc		-	-	202	3½	3	3⅛	-
35⅝	28½	A-dd s	1.58	4.5	-	349	35⅝	35	35⅛	-⅛
12⅝	3⅛	A-dd sc s		-	-	7243	12⅛	11⅛	12⅛	-⅛
42⅝	24	A-f	1.57	4.5	-	14	34⅝	34⅝	34⅝	-⅛
5⅛	⅞	A-f sc		-	-	27	2⅝	2⅝	2⅝	-⅛
21½	19	A-gte s	1.56	7.3	-	71	21⅜	21⅛	21⅜	+⅛
12¾	4⅛	A-gte sc s		-	-	340	9⅝	9⅛	9⅝	-⅛
65⅝	45⅝	A-ge	1.86	2.9	-	65	64⅝	64⅝	64⅝	-⅛
14¼	3⅝	A-ge sc		-	-	580	10½	10⅛	10½	-⅛
44⅝	29⅝	A-gm	2.01	5.0	-	390	40⅝	39⅝	40⅛	-
6¼	⅝	A-gm sc		-	-	143	3⅛	3⅛	3⅛	-⅛
52⅝	24	A-hwp	.45	.9	-	18	49⅝	48⅝	49⅝	+⅛
3⅝	⅞	A-hwp sc		-	-	31	1⅝	1⅛	1⅛	-⅛
135	95⅝	A-ibm	4.79	4.8	-	19	99½	99	99⅝	+⅜
4½	⅞	A-ibm sc		-	-	445	1⅛	1½	1⅝	-
55⅝	46⅝	A-inl	1.33	2.4	-	61	55⅝	55	55⅝	-⅛
47	13⅝	A-inl sc		-	-	745	30	28⅝	29⅝	-½
43½	32⅝	A-ek	1.97	5.1	-	27	39⅛	38⅝	38⅝	-⅜
5¼	1⅛	A-ek sc		-	-	210	1⅛	1⅛	1½	-
65⅝	63	A-mrk	2.23	3.5	-	37	64½	64⅝	64⅝	-⅛
57½	41⅝	A-mrk sc		-	-	142	51½	50⅝	51	-1⅛
56⅝	49⅝	A-mob	2.85	5.2	-	234	55⅛	54⅝	54⅝	-⅜
16⅝	5¼	A-mob sc		-	-	465	9⅝	9	9¼	-⅛
27½	24⅝	A-mo	1.70	6.3	-	14	27	27	27	-⅛
45½	17⅝	A-mo sc		-	-	359	38⅝	38⅝	38⅝	-⅛
70	43¼	A-mo un	1.78	2.6	-	7	65⅝	65⅝	65⅝	-1⅛
42⅝	21⅝	A-pg sc		-	-	82	32½	30½	30½	-3
39⅝	22	A-s	1.95	5.2	-	4	37⅝	37½	37½	-1⅛
2⅝	⅝	A-s sc		-	-	142	1⅝	1¼	1¼	-⅛
81½	60⅛	A-uno	2.45	3.1	-	7	80	79⅝	79⅝	-1
9⅝	1⅝	A-uno sc		-	-	179	8⅝	7⅝	7⅝	-⅛
56⅝	27⅝	A-xrx	2.95	5.7	-	2	52⅝	52	52	-⅛
3⅝	⅝	A-xrx sc		-	-	66	1⅝	1⅛	1⅝	+⅛
3⅝	1⅝	Ampal		-	-	4	2⅝	2⅝	2⅝	-
15⅝	10	Amwest	.28	1.9	7	102	15	14⅝	14⅝	-⅛
3⅝	1⅝	Andal		-	-	7	1½	1½	1½	-
15⅝	10⅝	AngPar	2.00	12.8	9	5	15⅝	15½	15⅝	-
3½	1⅛	ArkRst		-	16	8	3	2⅝	2⅝	-⅜
7	2⅝	ArrowA		-	90	16	4½	4½	4½	-
4⅝	⅞	Astrsic		-	-	65	3⅝	3⅝	3⅝	-
1⅝	⅛	Astrt wt		-	-	1	1⅛	1⅛	1⅛	-⅛
6⅝	1½	Atari		-	-	173	2⅝	2⅝	2⅝	-½
3	1	Atlantis		-	3	11	1½	1½	1½	-
1⅝	⅝	AtlsCM		-	-	11	⅝	⅝	⅝	+⅛
6⅝	2⅝	Atlas wt		-	-	15	3½	3⅜	3⅜	-
		B								
11½	6	B&H Mr	3.80e	41.1	4	101	9¼	8½	9¼	+⅛
14⅝	8⅝	B&HO	2.95e	26.8	7	24	11	10⅝	11	+⅛
13⅝	9⅝	BAT In	.75e	6.3	24	105	11⅝	11⅝	11⅝	+⅛
58⅝	40⅝	BHC		-	13	33	53⅝	53⅝	53⅝	+¼
9⅝	4½	BSD	.10	1.7	8	30	6⅛	6	6	-½
⅞	⅛	BSN wt		-	-	5	½	½	½	-
8⅛	4⅝	BSN		-	-	47	7⅛	7	7⅛	-
18⅝	13	BadgrM	.60	3.5	13	6	17⅝	16⅝	17⅛	+¼
24⅝	9⅝	Baker		-	19	56	21⅝	21	21½	-½
9⅝	3½	Baldw	.12	1.7	12	200	7½	7	7⅛	-⅛
7⅝	⅝	BalfrM		-	-	7	⅜	⅜	⅜	-⅛
3⅝	1	BombPl	.73t	33.3	-	66	2⅝	2⅜	2⅜	-
18⅝	14⅝	BanFd	1.40e	8.1	-	15	17⅝	17⅝	17⅝	-¼
9	3⅝	BkSFr	.20	4.0	6	10	5	5	5	-
4⅝	1⅝	BnkatlF		-	-	20	2½	2½	2½	-
59⅝	16	BT Nk wt		-	-	36	47⅝	47	47⅝	+1⅛
3	⅜	BanynSh		-	-	96	1½	1⅛	1⅛	-⅛
31¼	21	Barnwl	.30t	1.3	8	5	23¼	23⅛	23⅛	-⅛
19⅝	5⅝	BarrLb		-	36	34	17⅛	17	17	-⅛
⅞	⅛	Barister		-	-	65	⅛	⅛	⅛	-
5⅝	3	BaryRG		-	-	86	4⅛	4⅛	4⅛	-⅛
18⅝	11⅝	BayMea	.75e	4.4	22	3	16⅝	16⅛	16⅛	+⅛
3⅝	1⅝	Bayou		-	26	35	2⅝	2⅝	2⅝	-⅛
8⅝	3½	Beard		-	-	6	4	3⅝	4	+⅛
7⅛	4	Belmac		-	-	156	5⅛	4⅝	5⅛	-
4	1⅛	Belvdre	.04	1.2	24	40	3⅝	3⅝	3⅝	-
9½	3⅝	BnchE n		-	11	16	8⅛	8⅛	8⅛	-
18⅝	4⅛	BntOG s		-	-	1921	7⅛	6⅝	7	+⅜
28⅝	21⅝	BergBr	.40	1.5	14	285	26½	26⅛	26⅛	-⅛
86⅝	57⅝	BergCo	4.00e	5.0	-	3	80	80	80	-⅛
29¼	16⅝	BicCp	1.12	4.4	14	8	25⅝	25⅛	25⅛	-⅛
43	24⅝	BinkMf	1.20	4.4	15	45	27½	27½	27½	-
21⅝	15¼	BioElc n		-	-	268	19⅝	19⅝	19⅝	-⅛
27⅝	12½	BioR A		-	17	13	23⅝	23⅛	23⅛	-⅛
8½	3⅝	Biomag		-	-	455	6	5⅝	5⅝	-
50⅝	27½	BlairCp	2.28a	5.0	12	99	44⅝	43⅝	43⅝	-⅛
21⅝	9⅝	Blessg s	.50	2.8	10	19	18⅝	18	18⅛	-⅜
16	7	BlountB	.40a	3.9	114	3	10⅝	10¼	10¼	-⅛
14⅝	6⅝	BlountA	.45	5.2	96	100	8⅝	8⅝	8⅝	-
11⅝	8⅝	Boddie	1.36	13.6	9	22	10⅛	10	10	-
7	1⅝	BolrPh	.04	1.2	-	232	3⅝	3⅛	3⅛	-
19⅝	8½	Bombay n		-	15	18	17⅛	16⅝	16⅝	-⅜
24	15½	BowlA	.64	3.4	13	10	19⅛	19	19	-⅛
2⅝	½	Bowmr		-	-	36	1⅝	1⅝	1⅝	-
16½	8	Bowne	.25	2.1	28	415	12⅛	11½	11⅝	-⅛
9⅝	5⅝	BradRE	.60	9.8	28	11	6⅛	6⅛	6⅛	-⅛
4	1⅛	BradP n	.10e	5.0	-	9	2	2	2	-
18⅝	12	Brscn g	1.04	6.3	-	29	16⅛	16½	16½	-⅛
2⅝	⅜	Buffton		-	6	14	1⅛	1⅛	1⅛	-
7⅝	3⅝	Bush		-	13	38	4⅛	4⅛	4⅛	-
		C								
21⅝	12½	CII Fn n		-	14	49	18⅝	18⅝	18⅝	-⅛
6½	4½	CIM	.84e	13.7	-	109	6⅛	6⅛	6⅛	-⅛
2⅝	⅝	CMI Cp		-	-	52	1⅛	1⅛	1⅛	+⅛
29¼	14½	CSS		-	9	5	28⅝	28¼	28¼	-⅛
16½	9⅝	CVB Fn	.28	2.4	8	6	11⅝	11⅝	11⅝	-
3⅝	1⅝	CXR		-	-	18	1⅛	1⅛	1⅛	-⅛
30¼	9⅝	Cablvsn		-	-	40	27⅛	26⅝	26⅝	-⅛
7⅝	4⅝	CagleA		-	8	2	6⅝	6⅝	6⅝	-⅛
15	6⅝	CalEng	.52t	4.5	25	422	11⅝	11½	11⅝	-
9	4	Cambrx	.20	2.7	-	25	7⅝	7⅝	7⅝	-
11⅝	7⅝	CMarc g	.28	2.7	34	4	10½	10½	10½	-⅛
22⅝	9⅝	CWineB		-	16	7	22	22	22	-
22⅝	9⅝	CWineA		-	16	16	22	22	22	-
7⅝	5½	CapHo n	.74e	10.4	12	23	7⅛	7⅛	7⅛	-⅛
25¼	10⅝	CarnCr	.48	2.2	13	1433	22⅛	21⅝	21⅝	-⅛
1⅛	⅛	Casplen		-	-	50	⅛	⅛	⅛	+⅛
14⅝	9½	CastleA	.68	4.9	48	7	13⅝	13⅝	13⅝	-⅛
19⅝	15⅝	CasFd	1.66e	8.7	-	23	19⅛	19	19⅛	+⅛
13⅝	2	Celutel n		-	-	8	3⅝	3⅝	3⅝	-⅛
⅞	⅛	CentGp		-	-	40	⅛	⅛	⅛	-
5⅝	3⅛	CFCda g	.01e	.2	-	112	4⅝	4⅛	4⅛	-⅛
9⅝	7⅝	CentSe	.70e	7.7	-	226	9⅛	9⅛	9⅛	-⅛
10⅝	8⅝	ChyCm	.50t	5.7	-	54	8⅝	8⅝	8⅝	-
27½	15⅝	ChDvB s		-	41	11	26⅝	26½	26½	-⅛
27¼	14⅝	ChDvA s		-	41	2578	26⅝	26¼	26½	-
5⅝	2⅛	ChpEn		-	180	70	5⅛	5	5	-⅛
13⅝	4½	ChfPwr	.11	1.0	11	96	11⅛	11⅛	11⅛	-⅛
10⅝	6	Cheshre	.60	7.4	-	1	8⅛	8⅛	8⅛	-
13½	4⅝	CheySft		-	-	150	11⅛	11⅛	11⅛	-
24¼	18½	ChiRv	1.20a	5.3	13	1	22⅝	22⅝	22⅝	-⅛
25	12⅝	Chief		-	21	70	12⅝	12¼	12¼	-
16	4⅝	Chiles		-	-	849	6	5½	5⅝	-
47¼	17	Citadel		-	5	11	30½	30	30	-⅛
2	½	Citi wtY		-	-	20	⅛	⅛	⅛	-
1½	½	Citi wtM		-	-	10	1⅛	1⅛	1⅛	+⅛
11⅛	1⅛	ClzFst		-	-	466	2⅛	2	2	-
15½	10⅝	ClearC		-	147	12	14⅛	14⅛	14⅛	-
6⅝	1½	CoastD		-	2	20	3⅛	3⅛	3⅛	-
11⅝	4⅝	Cognitr		-	22	8	9	8⅝	8⅝	-
4⅝	1⅝	Collins s		-	10	39	4	3⅝	3⅝	-⅛
4½	1⅛	ColorSy		-	-	176	3⅝	3½	3½	-⅛
10⅝	3⅝	ColLb		-	-	124	6⅝	6½	6½	-⅛
8⅝	6	ColREI	.92e	11.9	9	46	7⅝	7⅝	7⅝	-⅛
4⅝	1⅛	ComSys		-	-	71	3⅛	3⅛	3⅛	-
8⅝	5½	Comtrn		-	7	10	5⅝	5⅛	5⅛	-⅛
9⅝	3⅝	Cmptek	.20	2.6	10	10	7⅝	7⅝	7⅝	-⅛
2⅝	1	Cmptrc		-	18	14	1⅝	1⅝	1⅝	+⅛
3⅝	⅛	Constn	.50e	14.8	-	20	3½	3⅛	3⅛	-⅛
7	1	vlCntAr		-	-	1356	2	1⅛	1⅛	-⅛
9⅝	1½	CtlHme	.20	2.3	-	7	8⅝	8⅝	8⅝	-
14½	5⅝	ContMtl		-	-	16	10⅛	9⅝	10⅛	+⅛
5⅝	1⅝	Convrsn		-	-	123	4⅝	4	4⅛	+⅛
8⅛	4⅝	CnvstE n		-	6	26	5⅝	5½	5⅝	+⅛
13⅝	8½	Copley	1.20	10.3	25	9	11⅝	11⅝	11⅝	-⅛
1⅝	⅛	Corcap		-	-	4	1⅛	1⅛	1⅛	-⅛
7⅝	5⅝	Courtld	.28e	4.2	-	3	6⅝	6⅝	6⅝	-
31¼	20	Cross	1.28	5.1	16	251	25½	25	25⅛	-⅜
35	19	CrnCP	.80e	3.0	14	1109	26⅝	26⅛	26⅛	-
33⅝	16⅝	CrCPB	.80e	3.1	13	30	25⅝	25⅝	25⅝	-⅛
18⅝	9⅝	CwnCr	.12	1.0	13	2	12⅝	12⅝	12⅝	-⅛
2⅝	1⅛	CrystO		-	11	20	1⅛	1⅛	1⅛	+⅛
24⅝	14⅝	Cubic	.53	2.6	6	36	20⅝	20½	20⅝	+⅛
18⅝	12⅝	Curtce	.44	4.8	29	55	13⅝	13⅝	13⅝	-⅛
⅞	⅛	Custmd		-	8	48	⅛	⅛	⅛	-
7⅝	4	CyprFd	.13e	2.4	-	6	5½	5½	5½	-
		D-E								
2⅝	1	DI Ind		-	19	15	1⅛	1⅛	1⅛	-⅛
12	3⅝	DRCA		-	24	1	5½	5½	5½	+⅛
10⅝	2⅝	DWG		-	-	326	2⅝	2½	2⅝	-⅛
4½	2⅝	DanHd n		-	-	63	4⅛	4⅛	4⅛	-
1⅝	⅛	Datamt		-	16	77	1⅛	1⅛	1⅛	-
22	7	Datarm		-	8	31	10⅝	10⅛	10⅝	-
4⅝	2⅝	Daxor		-	-	101	3⅝	2⅝	2⅝	-⅛
1⅝	⅛	DeRose		-	-	2	⅝	⅝	⅝	-⅛
9⅝	4⅝	DelElc		-	15	51	6⅛	6⅛	6⅛	-⅛
27½	13	DelLab	.40	1.7	14	1	23⅛	23⅛	23⅛	-⅛
⅞	⅛	Delmed		-	-	35	⅛	⅛	⅛	-
23	7⅝	Dk Nk wt		-	-	2370	18⅝	18¼	18⅝	+⅝
4⅝	1⅛	Dsgntrn		-	19	2	1⅝	1⅝	1⅝	-
3⅝	1	Desgnl		-	-	121	2⅝	2⅝	2⅝	-⅛
15⅝	9	DevnE		-	-	45	10⅝	10⅛	10⅛	-⅛
36½	24	DvnE pf	1.94	7.1	-	27	27⅝	27½	27½	-⅛
5⅝	1⅝	Diag A		-	-	5	4⅝	4⅛	4⅛	+⅛
5	1⅝	Diasonc		-	16	760	4⅝	4⅛	4⅛	-⅛
1⅝	⅛	Diodes		-	-	10	1⅛	1⅛	1⅛	-
2⅝	⅛	DivHtl		-	-	129	⅛	⅛	⅛	-
6⅝	2⅝	DixnTk		-	-	36	3⅝	3⅝	3⅝	-⅛
13⅝	7⅝	Donely	.28	2.3	14	68	12	11⅝	12	+⅛
11	3⅝	DowC rt		-	-	1799	8	7⅝	7⅝	-⅛
10⅝	9⅝	DryCal	.66	6.7	-	97	9⅝	9⅝	9⅝	+⅛
10⅝	9	DryfMu	.72	7.4	-	166	9⅝	9⅝	9⅝	-
9⅝	8⅝	DryfNY	.63	6.6	-	23	9½	9½	9½	+⅛
8⅝	8⅝	DrivHar		-	-	1	8⅝	8⅝	8⅝	-⅛
6⅝	3⅛	Ducom		-	10	3	5⅛	5⅛	5⅛	-
16⅝	9⅝	Duplex	.76	5.4	17	89	14⅛	14⅛	14⅛	-⅛
4⅝	⅛	ECI		-	-	15	⅛	⅛	⅛	-
4⅝	2⅛	Eco Cp		-	-	10	2½	2½	2½	-⅛
10⅝	8	EaglFn	.52	5.8	6	24	9	8⅝	9	-⅛
14½	⅝	vlEAL pfD	2.84	302.9	-	194	⅛	⅛	⅛	-
12⅝	10	EslnCo s	.42	3.4	9	1	12⅝	12⅝	12⅝	-⅛
15⅝	7⅝	EchoBy	.07	.8	-	3062	9⅛	8⅝	9⅛	+⅛
22⅛	10⅝	EcolEn	.20	1.1	14	15	18⅝	18⅝	18½	-⅛
21⅝	5⅝	Edisto		-	-	93	6⅝	6	6	-⅛
19⅝	16	Edist pf	2.60	14.5	-	9	17⅝	17⅝	17⅝	-
11⅛	2⅝	EksNK wt		-	-	2336	8⅛	8⅛	8⅛	+⅛
37½	16⅝	Elan		-	53	566	32⅝	32⅝	32⅝	-⅛
27⅛	11⅝	Elan un		-	-	24	22⅛	21½	22⅛	-⅛
13	7⅝	Eldorad	.32	3.0	9	20	10⅝	10⅝	10⅝	-⅛
⅜	⅛	Elsinor		-	8	110	⅛	⅛	⅛	-
7½	5⅝	Elswth	.60	8.4	-	65	7⅛	7⅛	7⅛	-
1⅝	⅛	EEdm wt		-	-	110	1⅛	1⅛	1⅛	-⅛
4⅝	2	EmpCar		-	-	22	4⅛	4⅛	4⅛	+⅛
4⅝	2	Endvco		-	-	120	2⅛	2⅛	2⅛	+⅛
5⅝	2	ENSCO		-	15	1130	3	2⅝	2⅝	-⅛
35⅝	16⅝	ENSC pf	1.50	6.6	-	6	22⅝	22⅝	22⅝	-
10	5½	Enzex	1.36	18.4	-	1	7⅝	7⅝	7⅝	+⅛
1⅛	⅛	EnMkt		-	-	241	⅛	⅛	⅛	-
7½	2⅝	EnvrTc		-	11	63	6	5⅝	5⅝	-⅛
3⅝	⅝	EnzoBl		-	-	39	1	1	1	-
24¼	5⅝	Epitope		-	-	883	18⅛	17⅛	18⅛	+⅛
17	13⅝	EqGth2 n	2.20	13.6	147	5	16⅛	16⅛	16⅛	+⅛
19⅛	14½	EqGthI	2.30	13.4	22	23	17⅛	17	17⅛	-
6⅝	3	Escagn		-	-	20	5⅛	5⅛	5½	+⅛
17⅛	11⅛	Espey	.60	3.7	10	5	16⅛	16⅛	16⅛	-
44	24⅝	EsqRd	.99	3.0	8	13	33⅛	33⅛	33⅛	-⅜
20	9⅝	EssxF n	1.60	12.7	-	20	12⅝	12⅝	12⅝	-⅛
19⅝	6⅝	EtzLav	.50e	2.6	-	81	19½	18⅝	19	-⅛
4⅛	⅛	EvrJ A		-	-	6	2⅛	2⅛	2⅛	-
13⅝	8	Excel	.40	3.9	26	2	10⅛	10⅛	10⅛	-
3⅝	⅛	ExpLA		-	-	46	⅛	⅛	⅛	-⅛
		F-G								
6	4⅝	FA Tck n		-	-	124	4⅝d	4⅝	4⅝	-⅛
5⅛	⅜	FFP		-	-	30	2⅝	2⅝	2⅝	-
20⅝	15¼	Fablnd s		-	12	7	20⅛	20⅛	20⅛	-
15⅝	6⅝	FalcCbl	.84	11.0	-	58	7⅝	7½	7⅝	-
9⅝	1⅝	Fibrbd		-	-	166	5⅛	5	5⅛	-
14⅛	8⅝	FidlFn	.48	3.4	10	18	14⅛	14	14	-
91	71	Fina	3.23	4.1	11	6	77⅛	77⅛	77⅛	-⅛
9⅝	7	FtAusl	.40e	4.9	-	117	8⅝	8⅝	8⅝	-⅛
10⅝	8⅝	FAusPr	1.08a	10.8	-	1298	10⅛	9⅝	10	+⅛
91⅛	47	FtEmp	1.40	1.6	11	9	87½	87	87	-
2⅝	⅛	FFBcp		-	-	40	⅛	⅛	⅛	-⅛
11⅝	6⅝	Fitber	1.55e	17.7	-	15	8⅝	8⅝	8⅝	+⅛
18⅛	11	FNtCal	.20	1.5	7	10	13⅝	13⅛	13⅛	-
13⅛	4⅝	FtRpBc		-	9	66	12⅛	12	12	-⅛
12⅝	6⅝	FischP		-	-	51	10⅛	10⅛	10⅛	-⅛
22	14	FlaPUt	1.00	6.1	14	11	16⅛	16⅛	16⅛	-⅛
30¼	16⅝	FlaRck	.50	1.8	35	13	28	28	28	-⅛
23	10⅝	Fluke	.40	2.1	13	121	19⅛	19	19	-⅛
42⅛	19	ForstL s		-	42	400	36⅛	35⅝	35⅝	-⅛
3	⅛	Forum	.09t	9.0	-	16	1	1	1	-
35	9⅝	FounH n		-	17	235	31⅛	30⅛	30⅛	-⅛
3⅛	⅛	FounPw		-	67	40	2⅛	2	2	-⅛
11⅛	6⅝	Frnkln		-	-	19	8⅝	8⅝	8⅝	+⅛
7⅝	3⅝	FreqEl		-	-	53	6⅝	6	6⅛	-⅛
4½	2⅝	Friedm	.15r	6.0	14	10	2⅝	2⅝	2⅝	-
1⅛	⅛	FriesEn		-	-	80	⅛	⅛	⅛	-⅛
20⅝	7⅝	Frischs	.24b	2.2	20	58	10⅛	10⅛	10⅛	+⅛
12⅝	6	FrzFd s	.20	1.6	14	29	12⅝	12⅛	12⅛	-⅛
16⅛	6⅝	FruitL		-	11	645	14⅝	14⅛	14⅝	-
6⅝	2⅝	GRI		-	14	1	4⅛	4⅛	4⅛	-
6⅝	1⅝	GTI		-	18	53	5⅝	5⅝	5⅝	-⅛
15⅝	14⅝	GW Utl n		-	-	2	14⅛	14⅛	14⅛	-⅛
10⅝	4	Gainsc wi	.01e	.1	14	374	10	9⅝	9⅝	-⅛
3⅛	⅛	Galac g		-	-	643	⅛	⅛	⅛	-
17⅛	10⅛	GalxCbl	1.40	11.7	15	13	12	11⅝	12	+⅛
4⅝	2	GameB		-	15	32	3	3	3	-
33⅝	19	Garan	1.00a	3.1	10	2	32⅛	32⅛	32⅛	-
7⅝	2⅝	GaylC		-	-	1735	5⅛	4⅝	5⅛	+⅛
9⅝	6⅝	GelmS		-	-	21	7⅝	7½	7½	-⅛
1	⅛	GnAuto		-	56	66	⅛	⅛	⅛	-⅛
2⅛	⅛	GEC wtY		-	-	30	1	1	1	-⅛
1⅝	⅛	GEC wtM		-	-	100	1⅛	1⅛	1⅛	-⅛
4½	2⅝	GnEmp		-	-	129	3⅛	2⅝	3⅛	+⅛
9⅝	5⅝	GnMicr		-	11	30	8⅝	8⅝	8⅝	+⅛
⅞	⅛	Genisco		-	-	2	⅛	⅛	⅛	-
13⅝	5½	GenvDr	.24b	1.8	15	332	13⅝	12⅝	13	+⅛
2⅛	1⅛	GeodRs		-	6	29	1⅝	1⅝	1⅝	-
31¼	21⅝	GiantFd	.66	2.2	15	514	29½	29⅛	29⅛	+⅛
7⅝	3⅝	GntYl g		-	-	10	4⅛	4⅛	4⅛	-⅛
11⅝	6	GlbCR s	.16	1.4	19	1	11⅛	11⅛	11⅛	+⅛
58⅝	32⅝	Glatflr	1.20	2.2	15	50	55⅝	55⅝	55⅝	-⅛
26⅝	16⅝	Glnmr	1.20	6.3	10	27	19⅝	19⅛	19⅝	-
10	3⅝	GlblOcn	.25e	4.4	11	5	5⅝	5⅝	5⅝	-
7⅝	1⅝	GoVide		-	-	281	1⅛	1⅛	1⅛	-⅛
4	⅛	GoVd wt		-	-	21	⅛	⅛	⅛	-
½	⅛	GldFld		-	-	259	⅛	⅛	⅛	-
32⅝	18	GorRup	1.00	3.4	15	4	29	29	29	-⅛
34⅝	10⅝	Graham	.28	1.5	14	18	18⅝	18½	18½	-⅜
7⅝	2	GrhmFl		-	25	128	6⅝	6⅛	6⅛	-⅛
11	6⅝	GrnBlo		-	-	5	8⅝	8⅝	8⅝	-
9	5½	GranFd		-	-	22	6⅛	6⅛	6⅛	-
1⅛	1	Grang g		-	-	5	1⅛	1⅛	1⅛	-
7⅝	2⅝	Grenm		-	-	25	3⅛	3⅛	3⅛	-
17⅝	8½	Greiner	.20	1.3	20	158	16⅛	15½	15⅝	+⅜
8⅛	2½	GrdRnd		-	-	2	7⅝	7⅝	7⅝	+⅛
14	6⅝	GrdnB s		-	7	101	11⅝	11⅛	11⅛	-⅛
14⅝	7	GCda g	.40	5.2	-	3	7⅛	7⅛	7⅛	+⅛
18⅝	6⅝	Gundle		-	27	23	16⅛	16⅛	16⅛	-
		H								
8⅝	4⅝	Halifax	.18	2.2	9	2	8½	8⅛	8⅛	-⅛
12⅝	8⅛	HalEP	1.60	13.9	-	156	11⅝	11½	11½	-
7½	4⅛	HalRty n	1.50	27.3	-	121	5⅝	5½	5½	-
5⅝	2⅝	Halsey		-	27	85	5⅝	5⅛	5⅛	-⅛
8⅝	4⅝	Hamptl	1.27t	16.7	-	26	7⅝	7½	7⅝	-⅛
11	8⅛	HmpUt	.44e	4.2	-	15	10⅛	10⅛	10⅛	-
8⅛	2	HanoO s		-	-	84	4⅛	4⅛	4⅛	-
4⅝	1⅝	Harken		-	-	218	3⅝	3⅛	3⅝	+⅛
31	11⅛	Hasbro	.24	.9	18	889	28⅝	28⅛	28⅛	-⅛
53⅛	35⅛	Hasting	.60a	1.4	16	1	43½	43½	43½	-½
17⅝	11⅝	HlthCr	1.76	10.7	9	19	16⅝	16⅛	16⅛	-⅛
7⅝	2⅛	HltCnc n		-	69	11	2⅛	2⅛	2⅛	-
15⅝	9⅝	HlthM	.68	5.1	10	1	13⅛	13⅛	13⅛	-
⅜	⅛	HII		-	-	11	⅛	⅛	⅛	+⅛
4⅛	1⅛	Hltvst		-	-	17	3⅛	3	3	-
14⅝	6⅝	Hrtlnd n		-	-	10	9⅛	9⅛	9⅛	-
10⅝	5	HeinWr	.30r	4.7	-	4	6⅝	6⅝	6⅝	-⅛
7⅝	1⅛	Helionet		-	-	74	2⅛	2⅛	2⅛	-
½	⅛	HelmR		-	3	10	⅛	⅛	⅛	-
10½	4	Hnlyln		-	19	113	9⅝	9½	9½	-⅛
2⅛	½	vlHerEn		-	-	2	⅛	⅛	⅛	-
6⅛	2⅝	HteMd		-	-	14	4	4	4	-
3⅛	1	Hilhav		-	-	409	2⅛	2⅛	2⅛	-
24⅛	14½	Hiptrn	.36	1.5	14	3	23½	23½	23½	-⅛
6⅝	2⅝	Holco	.97e	19.9	8	4	4⅛	4⅛	4⅛	-
34⅝	19⅝	HollyCp	.48	1.4	13	20	33⅝	33⅛	33⅝	+⅛
15⅛	13⅝	HmOil n		-	-	19	13⅝	13⅛	13⅝	-⅛
13⅝	6⅝	Hondo		-	15	33	9	8⅝	9	-
18½	9⅝	HoopHl	.36	2.4	15	14	15⅛	15⅛	15⅛	-⅜
5⅝	2	HrnHar		-	-	102	4⅛	4⅛	4⅛	-⅛
8⅝	2	HovnEn		-	-	142	8⅛	8	8⅛	-⅛
27½	15⅝	Howlin	1.00	4.1	11	7	24⅛	24	24⅛	-⅛
15	2½	Howtek		-	-	24	5⅛	5½	5⅝	+⅛
50⅝	35⅝	HubelA	1.42b	3.1	17	8	47⅛	47⅛	47⅛	-⅛
53½	33⅝	HubelB	1.48b	3.0	17	193	50	49⅛	50	+⅛
20⅛	11	HudGn		-	14	1	19⅛	19⅛	19⅛	-
		I-J-K-L								
5⅛	2⅛	ICH		-	-	547	4	3⅛	3⅛	-
14	9⅝	ICH pf	1.75	13.5	-	114	13	12⅛	13	-
9⅝	4⅛	ICN Bio	.15	2.3	9	17	6⅛	6⅝	6½	-⅛
12⅝	4⅛	IGI		-	500	298	10⅛	9⅝	10	-
5⅝	1⅝	Identix		-	-	36	3⅛	3⅛	3⅛	+⅛
22⅛	12½	ImpHl s	.48	2.7	8	12	17⅝	17⅝	17⅝	+⅛
59⅝	45⅛	ImpOil g	1.80	3.7	-	137	48⅝	48⅝	49⅛	-⅛
3½	⅛	IncOpor	.36e	22.2	-	10	1⅝	1⅝	1⅝	-
9⅝	3	Incstar		-	51	141	8⅛	8	8⅛	+⅛
11⅝	7	IntfMkt	.57e	6.0	-	118	9⅛	9⅛	9⅛	-⅛
10	4⅝	Insteel	.24b	3.2	22	7	7⅝	7⅝	7⅝	+⅛
13⅛	7⅝	Instron	.32	.9	19	288	12⅝	12⅝	12⅝	-
3⅝	1⅝	InsSe pf	.35t	6.9	-	35	3⅝	3⅝	3⅝	-
3½	1⅛	InstSy		-	10	570	3⅝	3⅝	3⅝	+⅛
2⅝	⅝	IntheSv		-	-	32	1⅛	1⅛	1⅛	-⅛
6⅛	2⅛	InClPd		-	-	25	3⅛	3⅛	3⅛	-⅛
7⅝	1	Intrmk		-	-	297	1⅛	1	1⅛	-
5⅝	1	Intmk pf	.31	9.2	-	30	1⅛	1⅛	1⅛	-
3⅛	2⅝	IntCoin g		-	-	371	3⅛	3⅛	3⅛	+⅛
14⅛	6	InCorA s		-	-	339	8½	8⅛	8½	+⅛
9⅝	3⅝	IntMvr n		-	-	172	7⅝	7⅝	7⅝	-⅛
1⅝	⅛	IntPwr		-	-	55	½	½	½	-⅛
2⅛	⅛	IntTch		-	-	50	⅛	⅛	⅛	-
⅜	⅛	IntThr		-	-	331	⅛	⅛	⅛	+⅛
⅜	⅛	InThr pf		-	-	1	⅛	⅛	⅛	-⅛
7⅛	2⅛	IGC		-	28	12	4⅝	4⅛	4⅛	-⅛
28⅝	5⅝	IvaxCp s		-	-	1489	27⅛	26½	26⅝	-1⅝
2⅛	⅛	Iverson		-	-	16	⅛	⅛	⅛	-
11⅝	6⅛	Jaclyn	.50	6.3	13	1	7⅝	7⅝	7⅝	-
13⅝	5⅝	JanBell		-	48	1312	12⅝	12⅛	12⅛	-⅛
2	⅛	Jetron		-	-	22	⅛	⅛	⅛	-
16⅛	5⅝	JhnPd		-	10	22	15⅝	15⅛	15⅛	-⅜
13⅝	6⅛	Jonelnt	.40	4.5	-	59	9⅛	9⅛	9⅛	+⅛
9⅝	6⅝	Justnd		-	-	3	8⅝	8⅝	8⅝	+⅛
15⅝	6⅝	KV Ph		-	-	17	13⅝	13⅝	13⅝	+⅛
2⅛	⅛	Kappa		-	-	187	1⅝	1⅝	1⅝	-⅛
4	2⅝	KaufHW	.12e	3.6	20	18	3⅝	3⅛	3⅛	-
21⅝	12⅝	Keane		-	18	23	20⅝	20⅝	20⅝	-⅛
13½	7⅝	Keithly	.18	1.4	13	13	13	12⅝	12⅝	-⅛
24	15⅝	KelyOG	1.80	11.3	97	113	16⅛	15⅝	16	-⅛
14	8⅝	Kelema		-	-	5	11⅝	11⅛	11⅛	-⅛
6⅛	3⅛	Kinark	.01e	.2	8	85	6	5⅝	6	-
12⅝	4⅝	Kirby		-	8	749	11⅝	11⅛	11⅛	-⅛
7⅝	2⅝	KlerVu		-	63	18	3⅝	3⅝	3⅝	-⅛
19⅝	6⅝	KoprEq	1.30	13.2	7	180	10⅛	9⅝	9⅝	-⅛
1⅝	1	LSB Ind		-	-	29	1	1	1	-
1⅝	⅛	LaBarg		-	15	19	⅛	⅛	⅛	-⅛
6⅛	3½	Lancer		-	11	112	5⅝	5⅝	5⅝	-⅛
11⅛	1⅝	Lndmk		-	-	34	2⅛	2	2⅛	+⅛
6⅝	2½	LdmkSv	.07t	1.5	10	25	4⅝	4⅝	4⅝	-
8⅝	6⅝	LndsPc	.80	11.4	-	3	7	7	7	-
6⅝	3	Laser		-	-	42	5⅝	5⅝	5⅝	-
5	1⅝	Lauren		-	-	10	4⅛	4⅛	4⅛	-⅛
9½	6⅝	LawrG	.48	5.5	13	5	8⅝	8⅝	8⅝	-⅛
9⅝	6⅝	Lawson	.40	5.2	-	2	7⅝	7⅝	7⅝	-
2⅝	⅛	LeePhr		-	-	14	1⅛	1⅛	1⅛	-
18⅝	1½	Leeslnd		-	-	21	2⅛	2⅛	2⅛	-
15½	6	Lfetme n		-	-	298	7	6⅛	6⅛	-⅛
17⅝	6½	LilVern		-	10	65	9⅝	9⅝	9⅝	+⅛
⅞	⅛	Lilly un		-	-	8	⅛	⅛	⅛	-
1⅝	⅛	LinPro		-	14	2	⅛	⅛	⅛	-
3⅝	⅛	vlLionel		-	-	1295	⅛	⅛	⅛	-
1⅝	⅛	Litfld		-	-	2	1⅛	1⅛	1⅛	-⅛
5	1⅛	LoriCp		-	38	10	4⅛	4⅛	4⅛	-⅛
10⅝	4⅝	Lumex		-	27	14	9⅛	9⅛	9⅛	-
8⅝	4⅝	Luria		-	29	34	6⅝	6⅛	6⅛	-
25	12⅝	LynchC		-	21	10	15⅝	15⅛	15⅛	+⅛
		M-N								
11⅝	4½	MC Shp	.52e	11.9	14	9	7⅝	7⅝	7⅝	-
3⅝	1⅝	MIP Pr		-	29	29	1⅝	1⅝	1⅝	-
3⅝	1	MSR		-	73	151	1⅛	1⅛	1⅛	+⅛
18	6½	MacNSc	.40	2.5	17	149	16⅛	16⅛	16⅛	-⅛
3⅛	⅛	MagC wt		-	-	167	2⅛	2⅛	2⅛	-⅛
7½	3⅝	MagmC		-	3	343	6⅛	6⅛	6⅛	-⅛
25	20⅛	MePS s	1.68	7.4	9	5	22⅝	22⅝	22⅝	-⅛
4½	1⅛	Matlard		-	-	331	3⅝	3⅝	3⅝	-
4	⅝	Marltan		-	11	6	2⅝	2⅝	2⅝	+⅛
10⅝	4⅝	MarsG	.88t	8.9	16	42	10	9⅝	9⅝	-
17⅝	9⅝	MatSci		-	14	417	13	12⅝	13	-⅛
16⅝	9⅝	MavTb n		-	-	80	9⅝d	9⅛	9⅛	-⅛
67⅛	26⅝	Maxam		-	3	434	46⅝	46⅝	46½	-⅜
6½	3½	McRae A	.32	5.4	8	15	6	5⅝	5⅝	+⅛
6⅛	4½	McRae B		-	8	15	5⅝	5⅝	5⅝	+⅛
13½	2½	Medchm		-	11	249	11⅝	11⅛	11⅛	-⅛
18⅛	4⅝	MedcR		-	-	474	17⅝	16½	17	-⅛
30⅝	15⅝	Media	.44	2.1	22	174	21⅝	20⅝	21	-
6⅛	4⅛	MedPrp	.72	14.8	7	7	4⅝	4⅝	4⅝	-
2	⅛	Mdcore		-	-	31	1⅝	1⅝	1⅝	-⅛
4⅛	1⅛	Media		-	14	11	2⅝	2⅝	2⅝	-⅛
13⅝	8	MrchGp		-	5	40	13	13	13	-⅛
3⅝	1⅛	MercA n		-	7	189	3⅛	3⅛	3⅛	-⅛
4⅝	3⅝	MLDM pwt		-	-	564	4⅝	4⅝	4⅝	-⅛
8½	5⅝	Mermic	.20a	2.7	11	8	7⅝	7⅝	7⅝	+⅛
21	7⅝	MetMA		-	-	38	15⅝	15½	15½	-⅛
20⅛	7⅝	MetMB		-	-	480	15½	15¼	15⅛	-⅛
7⅝	2⅛	MichAnl		-	12	177	7⅝	7⅝	7⅝	-⅛
8⅝	2⅝	MichStr		-	14	264	8⅝	8⅛	8⅛	+⅛
2⅝	½	Micron		-	-	53	1½	1½	1½	-⅛
4	1	Midlby s	.02t	1.3	-	10	1½	1½	1½	-
34⅛	26⅝	Midlnd	.46	1.5	9	4	31⅝	31½	31½	-⅛
7⅛	⅛	Minvest		-	-	517	⅛	⅛	⅛	-⅛
10⅝	8⅝	MissnW	.40	4.6	6	2	8⅝	8⅝	8⅝	-⅛
24⅝	15	MichIE	.40	2.1	17	64	19⅛	18⅝	18⅝	-⅛
10	5⅛	MoogA		-	10	22	9	8⅝	9	-⅛
7⅝	3½	MMed		-	-	80	6⅝	6⅝	6⅝	+⅛
1⅝	⅛	MorgnF		-	46	73	1⅛	1⅛	1⅛	-⅛
1	⅛	Mrg wtM		-	-	200	⅛	⅛	⅛	-⅛
6⅝	2⅛	MtMed		-	-	29	3⅝	3⅝	3⅝	-⅛
10⅛	8⅝	Munlin	.72e	7.4	-	217	9⅝	9⅝	9⅝	+⅛
10⅝	8⅝	Munvst	.77	7.7	-	737	10⅛	10	10	-
18⅝	12⅝	Myerln	.20b	1.2	12	433	17⅝	16⅝	17⅛	+⅛
3⅝	1½	NFC s	.13e	5.0	10	85	2⅝	2⅝	2⅝	-⅛
3⅝	⅛	NVR		-	50	471	1⅛	1	1	-⅛
8⅛	4	Nabors		-	16	412	5⅝	5⅝	5⅝	-
3⅝	1⅝	Nabr wt		-	-	21	2	2	2	-
15	6⅝	NapcoVl	.32b	2.4	13	12	13⅛	13⅛	13⅛	-
23	12⅝	NHltC	1.40	5.8	8	77u	24	22⅝	24	+1⅛
6⅝	2	NtPatnt		-	-	267	4⅝	4⅛	4⅛	-⅛
21½	7⅛	NtlRty s		-	-	22	13	12½	13	+⅛
13⅝	5⅝	NewLn s		-	18	193	11⅛	11	11	-⅛
9⅝	4⅝	NMxAr		-	114	5	8	8	8	-
10	9	NYTEI	.44a	4.8	-	31	9⅝	9⅝	9⅝	-
26	16⅝	NY Tim	.56	2.3	35	395	24⅛	24⅝	24⅝	-⅛
10⅝	5⅝	Newcor	.20	2.3	8	13	8⅝	8⅝	8⅝	+⅛
3⅝	1½	NewLw		-	-	31	2⅛	2⅛	2⅛	-
18⅝	9⅝	NichlsA		-	22	204	11⅝	11⅛	11⅛	-⅛
12⅝	10⅝	NichlsC		-	14	431	10⅝	10⅝	10⅝	-
25½	19	Norcen	.50	2.5	-	78	19⅝	19⅝	19⅝	-⅛
14⅛	4⅛	Nortek		-	-	89	7⅝	6⅝	6⅝	-⅛
9⅝	2	NAVac		-	-	264	8½	8⅛	8⅛	-⅛
16⅝	11⅝	NCdO g	.20	1.5	-	22	13⅝	13⅝	13⅝	-
49⅝	42⅝	NIPS pf	4.25	9.2	-	z150	44	46	46	+1⅛
2⅝	⅛	NwGd g		-	-	18	⅛	⅛	⅛	-
2⅝	1⅝	NuHrz		-	47	29	2	1⅝	1⅝	-⅛
8	4⅛	Numac		-	-	10	5⅝	5⅝	5⅝	-
12½	10⅝	NNYM n	.81a	6.8	-	12	11⅝	11⅝	11⅝	+⅛
		O-P-Q-R								
10⅝	6⅛	OOkiep	1.24e	14.2	2	19	9	8⅝	8⅝	+⅛
6⅝	3⅝	OBrien		-	-	126	5⅛	4⅝	5	-
10¼	4½	OMI	.10e	1.3	15	2194	7⅝	7½	7⅝	-⅛
11⅝	7⅝	OSullvn	.28	2.5	14	2	11	11	11	-⅛
21	7⅝	Olsten	.24	1.2	29	184	20⅝	20⅛	20⅛	-⅛
9⅝	5⅝	OneLibt		-	18	10	9⅝	9⅝	9⅝	+⅛
13⅝	10	OneLb pf	1.60	12.1	-	10	13⅛	13⅛	13⅛	-
9⅝	5⅛	Oneita	.49t	6.4	9	48	7⅝	7⅝	7⅝	+⅛
13	4⅝	Orgngn		-	-	26	7⅝	7	7	-⅛
8⅝	5⅝	OriolH B		-	7	10	8⅛	8⅛	8⅛	-
33	11⅝	PEC Isr		-	11	4	31	30⅝	30⅝	-
7⅝	3⅛	PLM	.40	9.4	47	10	4⅛	4⅛	4⅛	-
6⅝	4	PMC	.52	7.7	13	9	6⅝	6⅝	6⅝	-
48	42	PcEn pf	4.36	9.6	-	z90	45⅝	45⅝	45⅝	-⅛
12	7⅝	PacEu n	.20e	2.1	-	74	9⅝	9⅛	9⅛	-⅛
18⅝	16	PGEpfA	1.50	8.3	-	10	18	18	18	+⅛
16⅝	14½	PGEpfB	1.37	8.2	-	9	16⅛	16⅛	16⅛	-
15⅝	13⅝	PGEpfC	1.25	8.1	-	1	15⅛	15⅛	15⅛	+⅛
14⅝	13⅛	PGEpfD	1.25	8.6	-	13	14⅛	14⅛	14⅛	+⅛
28⅝	24⅝	PGEpfW	2.57	9.1	-	28	28⅛	28⅛	28⅛	-
27⅝	24⅝	PGEpfV	2.32	8.9	-	12	26⅛	26⅛	26⅛	-
29⅛	26⅝	PGEpfS	2.62	9.0	-	14	29⅛	28⅝	29⅛	+⅛
28	24⅝	PGEpfR	2.37	8.8	-	26	27⅛	26⅝	27⅛	-⅛
24⅝	21⅝	PGEpfP	2.05	8.6	-	136	23⅝	23⅛	23⅛	-
24	20⅝	PGEpfO	2.00	8.5	-	60	23⅛	23⅛	23⅛	-
23⅝	20⅛	PGEpfM	1.96	8.6	-	7	22⅝	22⅝	22⅝	-⅛
24⅛	21⅝	PGEpfK	2.04	8.8	-	26	23⅛	23⅛	23⅛	-⅛
12⅝	7⅝	PacWst	.24	3.2	6	248	7⅝	7½	7⅝	-⅛
11⅝	2⅛	PW Nk pwt		-	-	3487	8⅛	8⅛	8⅛	+⅛
6	1⅝	PW Nk cwt		-	-	683	2⅛	2	2	-⅛
3⅝	1⅛	PW cac pwt		-	-	63	2⅛	2⅛	2⅛	-
40⅛	17⅝	PallCp s	.44	1.2	27	1395	35⅝	34⅛	35⅛	+⅛
6⅛	3⅝	PamHd n		-	22	77	3⅛	3⅛	3⅛	-⅛
11⅛	8½	PrkPa n		-	12	123	10⅛	10⅛	10⅛	-⅛
2⅝	1⅛	PayFon		-	-	12	2⅛	2⅛	2⅛	+⅛
14	9⅝	PegGld	.10e	.8	-	343	13⅛	13	13⅛	-
30	11⅝	PennTr		-	-	3	27⅛	27⅛	27⅛	+⅛
22⅛	13⅛	PenRE	1.72	8.3	17	1076	20⅝	20⅝	20⅝	-⅛
28⅝	6⅛	PerlniC		-	-	59	12⅝	12⅝	12⅝	-⅛
22½	11⅛	PernC pf	2.12	11.5	-	27	18⅝	18⅝	18⅝	+⅛
12⅝	4⅛	Perinil		-	-	3	6⅛	6⅛	6⅛	-⅛
7⅝	⅛	Peters		-	-	77	2⅛	2⅛	2⅛	-
12⅝	7⅝	PtHeat	.31	3.0	-	9	10⅛	10⅛	10⅛	-
22⅝	6⅝	PhILD	.15e	.7	7	358	20⅝	20⅛	20⅛	+⅛
1½	⅛	PicoPd		-	-	3	⅛	⅛	⅛	-
6½	5⅝	PlWVo	.56	9.0	11	8	6⅛	6⅛	6⅛	-
42⅛	28	PltDsm	.80a	2.1	11	1	37⅛	37⅛	37⅛	+⅛
37⅝	22⅛	Pltway n	.60	1.8	22	11	34	34	34	+⅛
30⅝	15⅛	Pltwy A	1.10	4.5	15	13	24⅛	24⅛	24⅛	-⅛
7½	4⅝	PlnRsc		-	-	52	5⅛	5⅛	5⅛	-
8⅛	4⅛	PlyGem	.12	1.8	55	16	6⅝	6⅛	6⅝	-
35	24½	Polrln	5.00	15.2	9	45	32⅛	32⅛	32⅛	+⅛
23	11⅝	PortSys		-	16	53	21⅛	20⅝	21	-
⅞	⅛	PratHtl		-	-	3	⅛	⅛	⅛	+⅛
15⅛	9⅝	PratLm	.52	3.6	20	8	14⅛	14⅛	14⅛	-⅛
21	7⅝	PrdHlth		-	41	256	18⅛	18⅛	18⅛	-⅛
1½	⅛	ProdLa		-	-	19	⅛	⅛	⅛	-
6⅝	2⅝	PresR B	.80	16.0	4	3	5	5	5	-
7⅝	4⅝	Presd B		-	141	3	5⅝	5⅝	5⅝	-⅛
7⅝	4⅝	Presd A	.10	2.3	-	37	4⅝	4⅝	4⅝	-⅛
3⅛	⅛	PrcCom		-	-	1	⅛	⅛	⅛	-
3⅛	⅛	PrmFn		-	-	181	⅛	⅛	⅛	-
3⅝	1⅝	PrinDl		-	96	7	2⅛	2⅛	2⅛	+⅛
3½	⅛	Prism		-	-	1	⅛	⅛	⅛	-⅛
8⅛	4½	ProfCre		-	-	214	7⅛	7⅛	7⅛	-
11⅛	4⅝	ProgCT	.55e	9.0	15	210	6⅛	6	6⅛	-
5	3½	Prvena	.13	3.2	17	5	4⅛	4⅛	4⅛	-
17⅝	14⅛	PrvEn s	1.40	8.6	20	14	16⅝	16⅛	16⅛	-
15⅝	11⅝	PbSI 8 n	1.20a	12.6	9	12	14⅛	14⅛	14⅛	-⅛
13⅛	10	PbSI 9	1.50a	12.6	10	22	12⅝	12⅝	12⅝	-⅛
12⅝	8⅛	PbSI 10 n	1.40a	11.3	12	9	12⅛	12⅛	12⅛	-⅛
12⅝	8⅛	PbSI 11 n	1.36a	12.0	12	19	11⅛	11⅛	11⅛	-⅛
10⅝	8⅛	PbSI 12 n	1.20a	11.7	256	18	10⅛	10⅛	10⅛	-⅛
7⅝	3⅝	RBW		-	-	55	5	4⅛	5	+⅛
19⅛	9⅝	Raven	.36	2.1	11	67	17⅛	16⅝	16⅝	-⅛
18⅝	11⅛	ReCap	.05e	.3	12	61	17⅝	16⅝	17⅝	+⅛
7⅛	4⅝	RESec	.68	10.1	-	14	6⅝	6⅝	6⅝	-
4⅛	2⅝	RltySou	.30	9.4	-	31	3⅛	3⅛	3⅛	-
17⅝	10½	RedLn	2.15	12.6	23	68	17⅛	17	17⅛	-⅛
5⅝	3⅝	Redlaw		-	-	1	3⅛	3⅛	3⅛	-
16⅝	9⅝	RegalBl	.52	3.7	14	27	14⅛	13⅝	13⅝	-⅛
11⅝	9⅝	RelEI plA	1.40	13.0	-	10	10⅝	10⅝	10⅝	-
12⅝	9⅛	RelEI pf	1.50	12.8	-	72	11⅝	11⅝	11⅝	-
3⅝	2⅛	ResdMd	.35e	11.7	30	43	3	2⅝	3	-
9⅝	6⅛	Rsrtln	1.50	18.8	5	89	8	7⅝	8	+⅛
2⅝	⅛	Rstlnr		-	-	90	1⅛	1⅛	1⅛	+⅛
10⅝	3⅝	ResRel		-	-	52	7⅝	7⅛	7⅛	-⅛
2⅛	⅛	RspTch		-	-	70	2⅛	2⅛	2⅛	-
7⅛	2⅝	Resurs		-	-	38	5⅛	5⅛	5⅛	-
7½	2	RmP rt s		-	-	334	3⅛	3⅛	3⅛	+⅛
13	5⅝	Riedel		-	-	37	6	5⅝	5⅝	+⅛
15½	10⅝	RioAl g		-	-	4	14	14	14	+⅛
15⅝	6⅝	Riser		-	10	113	10⅝	10⅝	10⅝	-
5	⅛	Rivbnd		-	-	113	1⅛	1⅛	1⅛	-
23⅛	15⅝	Rogers	.12	.5	-	12	22⅝	22⅛	22⅛	-⅛
5⅝	2⅝	RoweF	.16	3.8	12	41	4⅛	4⅛	4⅛	-⅛
30⅛	19	Rudick	.40a	1.4	15	11	28	27⅝	27⅝	-
10⅝	6⅝	Rymac	1.60a	15.4	9	112	10⅝	10⅛	10⅛	+⅛
1⅝	⅛	Rymr wt		-	-	10	⅛	⅛	⅛	-⅛
		S								
9⅝	7	SC Bcp n		-	-	10	7⅛	7⅛	7⅛	-
31⅝	23⅝	SJW	1.92	6.7	11	6	28⅛	28⅛	28⅛	-⅛
22⅝	5	SPI Ph	1.00b	5.9	14	155	16⅛	16⅛	16⅛	-⅛
1⅝	⅛	Sal wtM		-	-	110	1⅛	1⅛	1⅛	-⅛
8⅛	7⅝	Sal wtY93		-	-	3	8⅛	8⅛	8⅛	-
6⅛	2	Sal wt93		-	-	10	3⅛	3⅛	3⅛	-
22⅛	6⅛	SNK 193wt		-	-	1909	18	17⅝	18	+⅛
23⅛	7⅛	SNK 192wt		-	-	259	18⅝	18⅛	18⅛	+⅛
6⅝	1⅝	SFT 393wt		-	-	1810	3⅛	3⅛	3⅛	+⅛
5⅝	1⅝	SNK 193cwt		-	-	427	2⅛	2⅛	2⅛	-
5⅝	1⅝	SFT 593wt		-	-	399	2⅛	2⅛	2⅛	-
4⅛	3	SalPhb n		-	-	142	3⅛	3⅛	3⅛	+⅛
16⅛	12⅛	Samson	1.60	12.8	-	42	12⅝	12⅝	12⅝	-
82	75	SDgo pr	7.20	9.1	-	z350	79⅛	79⅛	79⅛	-⅛
29⅛	26⅝	SDgo pr	2.47	8.8	-	1	28	28	28	-⅛
2⅝	⅛	Sandy		-	-	222u	3⅛	2⅛	3⅛	+⅛
2⅛	1	Sanmk s		-	-	5	1⅛	1⅛	1⅛	-⅛
25⅝	12	SMonB s	.60	3.0	11	11	20⅛	20⅛	20⅛	-⅛
48	22⅛	Sbarro		-	25	58	41	40⅝	40⅝	-⅜
9⅛	3	ScandC		-	-	16	3⅛	3⅛	3⅛	-
4⅛	2⅝	Sceptre		-	58	25	2⅝	2⅝	2⅝	-⅛
15⅝	10⅛	Scheib	.18	1.5	103	2	12⅝	12⅝	12⅝	-⅛
7⅛	2⅝	Schult		-	7	14	5⅛	5⅛	5⅛	-⅛
3	⅛	SciMgt	.10	5.0	-	2	⅛	⅛	⅛	-
25⅛	19⅝	ScurRn	.58	2.3	-	1	21⅛	21⅛	21⅛	-
⅜	⅛	Seaport		-	-	13	⅛	⅛	⅛	-
16⅛	7½	Selas	.20	1.6	7	29	12⅝	12⅝	12⅝	-⅛
3⅝	3	Semtch		-	15	7	3	3	3	-
6⅝	2⅛	Servotr		-	9	93	6⅛	6	6	-⅛
1⅛	⅛	ShwdGp		-	-	50	1⅛	1⅛	1⅛	-
8⅝	4⅝	Shopco	1.12	23.4	43	89	4⅝	4⅝	4⅝	-
4⅛	1⅛	SierC4		-	18	1	1⅛	1⅛	1⅛	-
7⅛	3	SierC7 pf	.16	4.6	-	3	3⅛	3⅛	3⅛	-
29⅛	3½	SierHS		-	36	458	22⅝	20⅛	21	-1⅛
11⅝	6	Sifco	.24	3.4	8	146	7⅛	7	7⅛	-
23⅛	14½	SmthA	.80	3.5	8	13	22⅝	22⅝	22⅝	-⅛
21⅛	13½	SmthB	.80	3.8	8	1	20⅝	20⅝	20⅝	-⅛
3⅝	1⅛	SGCoc pwt		-	-	26	1⅝	1⅝	1⅝	+⅛
13⅝	11½	SCEd pf	1.08	8.3	-	1	13	13	13	-
15	12⅝	SCEd pf	1.19	8.5	-	3	14	14	14	-
18½	15½	SCEd pf	1.45	8.2	-	27	17⅝	17⅛	17⅝	+⅛
102⅝	95⅛	SCEd pf	8.96	8.9	-	7	100⅛	99⅛	100⅛	+⅛
20⅛	12	SelUCo		-	-	7	12⅛	12⅛	12⅛	+⅛
27⅛	11⅛	SpgWre		-	25	[illegible]	28⅝	28⅛	28⅛	-⅛
4⅛	1⅛	Sprtch		-	-	10	1⅝	1⅝	1⅝	+⅛
8⅝	2⅝	Spelling		-	34	6	4⅛	4⅛	4⅛	-
11⅛	8⅝	StdSun n		-	-	36	9	8⅝	8⅝	-⅛
6⅛	3⅝	StarrH		-	11	4	6⅛	6⅛	6⅛	-
29⅛	19⅝	Stepan	.64	2.6	10	20	24⅝	24⅛	24⅝	+⅛
5⅝	4⅝	StrlCap		-	-	5	5⅛	5⅛	5⅛	-
3½	1⅛	SterlEl		-	14	23	2⅝	2⅝	2⅝	-⅛
18⅝	2⅛	StvGpA		-	-	228	6	5⅝	5⅝	-⅛
18⅝	4⅝	StvGpB		-	-	3	6⅛	6⅛	6⅛	+⅛
8	5⅝	StarPr n	1.00	13.3	8	7	7⅛	7⅛	7⅛	-
9½	6⅛	SumtTx	.84	9.3	-	28	9⅛	9	9	-
60⅛	36⅝	SupSr	.88	1.5	13	2	59⅝	59⅛	59⅛	-⅛
8⅛	3½	SupTlk		-	8	27	5⅝	5⅛	5⅛	-⅛
12⅝	8⅝	SwftEng		-	8	20	8½	8⅛	8⅛	-
[illegible]	[illegible]	Synalx	.40	2.8	8	21	14⅛	14⅛	14⅛	[illegible]
[illegible]	[illegible]	Synthtc				40	[illegible]	[illegible]	[illegible]	[illegible]
		T								
[illegible]	[illegible]	vlTIL				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TIE				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TabPrd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Tofu	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Team			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Techpn				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TelDa n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Telmx	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Teleflex s	.40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TelDta	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Telesph				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TempGl n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Tenera	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Tenney				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TexMex n				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Texscn			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Thrmd				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	ThCrd			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	ThrIns			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	ThrmP				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Thrmwd				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	ThorCH				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	ThrD B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	ThrD A	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Toluth				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TolEd pf	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Tortel			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TubPet	.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TwCty			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TmsoA	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TmsoB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Trnzt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TrnLx				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TubMex				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TrnB A s				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TrnB B s				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TurnrC	1.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	TwPenn			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		U-V								
[illegible]	[illegible]	US Intc				10	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	USFGP	1.80	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Unimar	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	UFoodB			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	UFoodA			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	UGrdn				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	UtMed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	US Bant				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	US Bio				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	US Cell			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	US Fltr s			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	UnitelV				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	UnvPat				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	VHT				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	ValFrg	.30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Valsprs s	.62	[illegible]	24	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Vatspar	.40	1.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	[illegible]	VtkCal	.45	6.6	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Verafex				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Viacom				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	ViacB n				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Viatch			10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Vican			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Virco	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Visx				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Vimonic			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Voplex				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	VulcCp	.80	4.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		W-X-Y-Z								
14	[illegible]	WCI pf	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	WangC				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	2	WangB				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	WRIT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	11	Watsc B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Wthfrd			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

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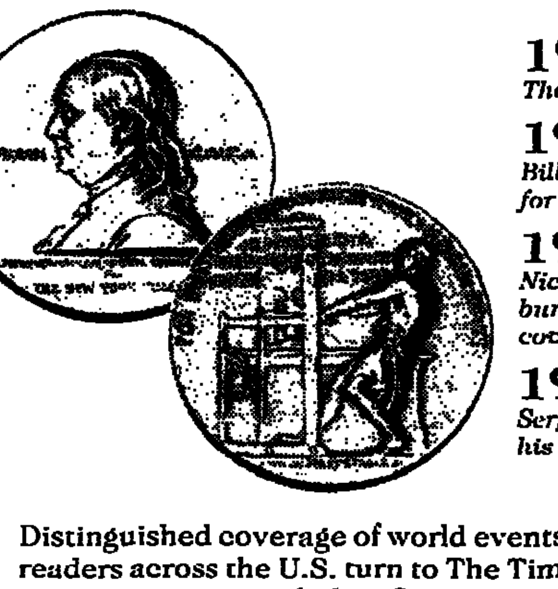

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Malaysia Plantation Industry Realigns

By Michael Richardson
International Herald Tribune

KUALA LUMPUR, Malaysia — Malaysia, the world's leading exporter of palm oil and rubber, is restructuring its plantation industry to meet growing competition from Indonesia and Thailand where wages and production costs are substantially lower.

While conceding that Malaysia may lose its position as the major exporter of crude palm oil and rubber before the end of the decade, Malaysian officials say exports of manufactured products and services based on these commodities will increase sharply.

"We are a high-cost producer," said Abdul Rahman Teh Mohamed, chief executive of the United Planting Association of Malaysia, which represents the large plantation firms. "We must innovate and diversify to survive."

Malaysian plantation companies are investing overseas with government encouragement in an effort to secure markets. At home, they are studying ways to increase efficiency and lower costs through greater automation.

Major estate operators such as Consolidated Plantations, Golden Hope Plantations and Kuala Lumpur Kepong are using their large land banks to move into property development.

Given rising labor costs and relatively low international prices for rubber and palm oil, Martin Wedgwood, an analyst with Smith Zain Securities Sdn., said "it is looking increasingly unlikely that plantation companies without significant real estate potential will be able to participate in the growth" of the Malaysian stock market over the next year.

But much of the diversification by plantation firms is into related downstream activities involving higher value-added products like tires, latex gloves and palm oil by-products.

Malaysia may lose its position as the major exporter of crude palm oil and rubber before the end of the decade.

Consolidated Plantations has built a palm oil refinery in Egypt and is studying similar investments in other countries that buy Malaysian palm oil. Golden Hope and Kuala Lumpur Kepong are planning refineries in Vietnam and China.

Palm oil refiners in Malaysia, squeezed by higher costs of locally produced crude palm oil and low prices for processed edible and cooking oils, have developed close ties with Japanese trading companies to manufacture higher-priced, specialized products for sale in Japan and Europe.

These products, including oleo chemicals, fatty acid alcohol and double fractionated olein, are used in the manufacture of detergents, shampoos and soaps.

Hiroshi Miyanaga, a commodities manager in the Singapore office of Nissho Iwai Corp., said only those Malaysian refiners that invested in new technology and diversified their production would be able to survive growing competition from Indonesian and Thai palm oil producers.

While Malaysian output is static at about seven million tons of crude palm oil a year, production in Indonesia is expected to reach 3.3 million tons in 1991, up from 1.8 million tons in 1988, as private companies open new estates in Sumatra and Kalimantan.

Malaysia's Rubber Research Institute recently unveiled a prototype robot to tap latex from rubber trees. The robot, which is strapped to the trunks of the trees and run by a battery or solar-powered motor, punctures a hole in the bark with a needle to make the sap flow into a collection bag. It can be operated at the push of a button or by remote control.

In a demonstration, it took just three seconds to tap 50 trees strapped with robots. Using a human tapper to make incisions across the bark with a knife would have taken about an hour.

Officials said that the robots could cut labor costs by 50 percent and substantially increase productivity.

Strong Growth Report Sends Nikkei Tumbling

By Paul Blustein
Washington Post Service

TOKYO — Japanese stock prices fell 2.8 percent Wednesday, to their lowest level since early February, in a classic case of investors reacting with horror to good economic news.

The 688.72-point drop in the Nikkei stock average came one day after the government announced that the economy had expanded at an 11.2 percent annual rate in the three months ended March 31.

Even though the quarterly growth pace was artificially inflated by special factors, it convinced analysts that the chances are virtually zero that the Bank of Japan will cut its official discount rate anytime soon.

"The market goes down on excellent news," said George Nimmo of SBCI Securities (Asia) Ltd. He added that the news meant not only that an interest rate cut "is on the back burner, but that the gas is off as well."

The market debacle Wednesday was the latest in a series of downward moves arising from investor gloom about the interest-rate outlook. Earlier this year, many analysts had voiced certainty that the Bank of Japan would soon cut the discount rate from its current 6 percent level to avert a serious economic slowdown.

But the economy, although clearly slowing in recent weeks, has continued to emit healthy signals, and Yasushi Mieno, the central bank governor, has said he will keep interest rates high to prevent a resurgence of the speculative "bubble" that drove up land and stock prices during the late 1980s.

With more and more investors becoming persuaded that Mr. Mieno means business, the stock market has been sinking into the doldrums. Wednesday's slide brought the Nikkei average to 23,996.75 points at the close of trading, marking the first time since Feb. 6 that the index has fallen below the 24,000 level.

Japan to Ban Sea Turtle Imports

Washington Post Service

TOKYO — Japan said Wednesday that it would prohibit the import of endangered sea turtles by the end of 1992, bowing to U.S. demands that the ban be imposed sooner rather than later.

The move was welcomed by U.S. officials, who said that although the United States would have preferred an immediate ban, the decision marked an improvement over Japan's previous position that it would phase out sea-turtle imports over three years.

Japan agreed last month to the principle of eliminating turtle imports eventually, thereby averting a threat of U.S.-imposed trade sanctions. But until the announcement Wednesday, Tokyo had remained at odds with Washington over the timing of the ban.

Evergreen to Halt Taiwan Projects

Compiled by Our Staff From Dispatches

TAIPEI — Taiwan's Evergreen Group, the world's largest container-shipping company, has decided to freeze its domestic projects and shift investment to Australia and Panama, officials said Wednesday.

The decision follows controversy over Eva Airways, an Evergreen subsidiary. Some members of parliament accused Evergreen of having used its financial power to win permission to start the country's second international airline.

Chang Yung-fa, Evergreen's chairman, will visit Panama on July 20 at the invitation of President Guillermo Endara to discuss the possibility of purchasing Panama Airlines, Evergreen officials said.

He will then go to Australia to negotiate the establishment of an airline company in Melbourne, the officials added.

Taiwan government officials, including Finance Minister Wang Chien-shien are scrambling to persuade Evergreen, which is one of the island's biggest conglomerates, not to move operations overseas.

Mr. Wang said Evergreen should not blame the government for a campaign by a small number of prominent legislators to block official approval for Eva Airways.

Economics Minister Vincent Siew said Evergreen's decision was a serious blow to local investment confidence and said the government would reexamine legislation that businesses opposed.

Mr. Chang made the decision to switch investments abroad mainly to avoid being the target of political disputes, according to Kitty Yen, a spokeswoman for Evergreen.

The group will also cut its investments in Taiwan's multibillion dollar six-year development plan, according to Yeh Lien-ho, vice chairman of Evergreen Heavy Engineering Co. "This will include the production of electric trains for the high-speed railway and construction of a factory for the production of titanium alloys for the aerospace industry," Mr. Yeh said.

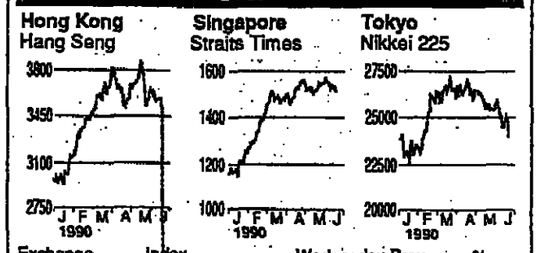
The Communications Ministry decided last week to grant an operating license to Eva Airways, allowing it to start flights to Bangkok and Seoul on July 1.

A small group of legislators had fought bitterly for months to block approval, accusing Eva of influence-peddling to obtain facilities at Taipei's international airport. Eva denied any wrongdoing.

The legislators have vowed to continue their campaign against Eva, possibly by suing the government in an effort to get the approval overturned.

Evergreen, which has a Taiwan stock-market capitalization of about $2 billion, declined to say how much the halted projects were worth. *(AFP, Reuters)*

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	2373.14	N.A.	-
Singapore	Straits Times	1514.22	1523.27	-0.59
Sydney	All Ordinaries	1519.10	1523.00	-0.26
Tokyo	Nikkei 225	23996.75	24685.47	-2.79
Kuala Lumpur	Composite	628.04	630.23	-0.35
Bangkok	SET	792.64	805.90	-1.65
Seoul	Composite Stock	604.27	606.79	-0.42
Taipei	Weighted Price	6029.78	6024.40	+0.09
Manila	Composite	1113.36	1086.87	+2.44
Jakarta	Stock Index	373.92	374.96	-0.28
New Zealand	Barclays	1448.00	1448.00	0.00
Bombay	National Index	N.A.	653.24	-

Sources: Reuters, AFP International Herald Tribune

The Firefly Test for Germs in Food

Reuters

TOKYO — Kikkoman Co., the leading soy sauce maker, has developed and is marketing a process to make unwanted germs glow like fireflies. The process, which can be applied to anything from beer to ground beef, could have a huge potential for controlling quality in restaurants and food-processing plants.

Industry sources here say the method uses luminescent chemicals developed by genetic engineering from the fireflies themselves to make any microbes present in food and drink give off light.

Fireflies glow when a substance called luciferin oxidizes, helped by the enzyme luciferase. Luciferin is reproduced by chemical synthesis, but luciferase was available only from fireflies — and it takes about 100,000 fireflies to yield a single gram of the enzyme.

Now Kikkoman says it has succeeded in mass-producing luciferase by genetic engineering and has developed a 35,000 yen ($248) kit to check for food and drink contamination, good for 200 tests.

Chinese in Indonesia Warned to Lend a Hand

Reuters

JAKARTA — Indonesia's ethnic Chinese may have to be forced by law to provide financial help to small-scale businesses if they do not do so on their own, a leading businessman and relative of President Suharto said Wednesday.

Probosutedjo, a half brother of the president, said that if the appeal did not work, then "maybe at some time there must be a law to make everybody participate in helping the small."

Ethnic Chinese dominate the Indonesian economy but represent only 3 percent of the population.

Probosutedjo was speaking after reporting to Vice President Sudharmono about last month's meeting of the Association of Indigenous Businessmen.

Iman Taufik, the association's chairman, said the government should provide more opportunities to small businesses by granting them cheap loans. Major business groups, the majority of them run by ethnic Chinese Indonesians, should hand over 25 percent of the ownership to cooperatives, he said. Cooperatives own 1 percent of the groups now, he added.

Some Chinese executives say they are being made a scapegoat by government leaders for the widening gap between the rich and poor in a period of rapid economic growth.

Sofyan Wanandi, a leading Chinese-Indonesian businessmen, said last week that ethnic Chinese may take their money elsewhere if they continued to be treated like second-class citizens.

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SPORTS

Hustling for Money: Whole New Ball Game for Soviets

By Christine Brennan
Washington Post Service

MOSCOW — Leonid Drachevsky, first deputy chairman of Gossport, the Soviet sports ministry, arrived in Washington last December to try to sell American companies on Soviet sports. He had a most difficult task.

At Sunday brunch in the Georgetown section of Washington, he asked for the advice — and the business — of Frank Craighill, managing director of Advantage International, a Washington sports marketing company.

Craighill and two of his associates were intrigued, and saddened, to hear Drachevsky describe the chaos in his country.

After the meeting, Craighill thought long and hard about investing in Soviet sports, either by setting up a joint-venture company to sell television and sponsorship rights at international competitions in the Soviet Union or by organizing international tours by Soviet teams.

Then he decided against it.

"We couldn't develop any enthusiasm for it," he said. "We'd have to fund it, because the Russians have no cash. We'd have to provide the staff. It seemed like a massive undertaking, a multimillion-dollar project. It just wasn't right for us."

The Soviet Olympic Machine
The Perils of Change
Last of a series

This is the problem facing the Soviets as they try to enter the international sponsorship game, years after it began.

As communists working and thriving in a controlled, financially sound sports system, they never had to court corporations or woo television executives. Now, as they find themselves in the midst of dramatic change, funding for sports programs from the government and sports lotteries comes into question.

With the economy in a disastrous state, the Soviet athletic complex has been forced out of its shell. It is looking to the industrialized nations of the West and Japan for the help — and the hard currency — necessary to survive in the sports marketplace. Put simply, the Soviets need a Bo Jackson, a recognizable athlete with the presence to sell their product. And then they need to know how to use him.

Craighill thought that the meeting and his decision were the end of it. But two months later a fax came from Moscow.

Drachevsky was asking him and the others to come to Moscow to discuss setting up the joint venture. His offer was puzzling. Advantage International would have to pay all expenses except translation costs and local transportation.

Craighill's answer was simple: He sent a note saying that he was sorry, but the timing was bad. And that was that.

"I liked him enormously," Craighill said of Drachevsky. "He was a bit naive in terms of the ways of the Western world, in terms of sports marketing, but there was no way he should be otherwise."

For all the success the Soviets have had on the Olympic playing field, they are falling short in economic competition. Those who are aware of the situation say that the Soviets either don't know how to do business or don't have anything for sale that anyone wants to buy. Their skills are unpolished, their edges rough. Their knowledge is limited. Their experience is nil.

"The political and economic situation in the Soviet Union is a negative influence on finding sponsors," said the president of the Track and Field Federation, Igor Ter-Ovanesian, five times an Olympic long jumper and twice a bronze medalist. "We'll be proud, but poor."

"It's impossible to say U.S. corporations are ecstatic about helping us," Drachevsky said, with a shrug, in his sparsely decorated office at the Gossport building, a framed drawing of Lenin staring down at him.

DURING HIS swing through the United States, Drachevsky also met with officials from Kodak and Coca-Cola.

"It was very interesting contact," he said, "but we have had no results. Six months have passed. They probably are just thinking it over."

He said the same thing about Advantage International.

He suggested to Kodak executives that they open a store in the lobby of the Gossport building, a dark, quiet place where few gather.

Kodak, he said, did not exactly jump at the idea.

"Their concerns were, if they opened a store here, people couldn't buy the products because they have no money," Drachevsky said. "But I told them a lot of foreign delegations come through here, and it would make sense to have an outlet here."

Although he said Kodak officials had not replied, he has lofty goals. First comes the store, then a billboard on the roof, "which people could see perfectly well from the bridges," he said. "That would be just a beginning."

He eventually would hope for Soviet team sponsorship by the company.

In Drachevsky's marketing mind, there seem to be only extremes. He either thinks small — like a Kodak store — or thinks impossibly big. He has been chatting with U.S. Olympic Committee officials, trying to convince them to join financial forces with the Soviet Olympic Committee in a "General Olympics" to rival General Motors, he said.

The executive director of the U.S. committee, Harvey Schiller, said he was trying to help the Soviets in any way he could but doubted that they were ready for any large-scale financial ventures. For instance, he questioned their ability to play host to the 1994 Goodwill Games.

"They have no income," he said.

Drachevsky was a house guest of Schiller's in Colorado Springs not long ago. Schiller said he very much enjoyed Drachevsky's company; the two tall, silver-haired, athletic men even resemble each other.

But his lasting memory of Drachevsky shows how different their experiences have been.

When Drachevsky returned from jogging around Schiller's neighborhood, he looked concerned. He had seen the "Neighborhood Watch" signs. He wanted to know what they were.

"Coming from the Soviet Union, he wondered if that had anything to do with the KGB," Schiller said with a laugh.

The Soviets are trying to sell the Americans on the idea that the Soviet Union is the United States' primary Olympic rival and that it is in both of their best interests to keep the competition going. If the Soviets falter at the Olympics, the thinking goes, American spectators will not be as interested in the Games.

After all, some of the most memorable moments in Olympic history have taken place in U.S.-Soviet contests — for example, the 1972 Soviet basketball victory and the 1980 U.S. ice hockey triumph.

As the Cold War thawed, the rivalry waned. Nonetheless, Drachevsky said: "It is in both of our interests to save Soviet sports at this level. Maybe everything won't go to ruins in our country, but we will certainly fall behind if all the other countries go on with sponsorship and we do not."

Vitaly Smirnov, president of the Soviet Olympic Committee, is pushing the same theme with identical dire warnings.

"Without a strong Soviet team, it will affect the United States badly," he said. "At the 1996 Olympics in Atlanta, people will want to see U.S.A.-U.S.S.R. basketball. Think of what the advertising would cost for that. Something like $2 million for one minute. It's important to America that the Soviets stay strong."

The implication is that if the United States does not help, the Soviets will falter. This is of such concern that the International Olympic Committee is examining the problem in all former East Bloc nations. The U.S. Olympic Committee continually offers marketing and financial advice to these nations, Schiller said.

THE SOVIETS are not looking only to the United States for help. Smirnov said he had recently met with Japanese business executives who wanted to invest in hotels and golf courses in the eastern part of the Soviet Union near Japan.

"The Japanese are mad about golf," Smirnov said. "We can provide them land with hotels. At the same time, they can do something for us. One of the conditions of this agreement is that they help fund our Olympic committee."

This is all so new that Smirnov is asked if it is difficult for him to adjust to the capitalist world.

"I'm finding it very interesting, really very interesting," he said. "As we negotiate, we also may help our country economically. Sports is the way to the market. For example, after we participated in the Seoul Olympics, we opened business relations with South Korea."

Individual athletes are dealing with the changing financial landscape in different ways. Vladimir Salnikov — an Olympic gold medal swimmer in 1980 and 1988 who now, at 31, has retired — is vice president of the Soviet swimming federation and deputy director of a new business designed to develop international contacts through sports.

He is one of the most famous athletes in Soviet history, much more important in his country than Mark Spitz is in the United States. He travels to the United States often and is remarkably popular within the swimming community.

He would love to have an agent, as Matt Biondi and Spitz do. To that end, he dashed around Moscow in the rain one Saturday afternoon to photocopy some magazine articles and then asked a reporter heading back to the United States to send them to Advantage International's Parkes Brittain.

"Maybe Parkes can find something for me, I don't know," Salnikov said. "If he did find something, advertising a product, that would be O.K. with me."

Other athletes have become downright greedy.

A shouting match between a coach and an athlete interrupted a recent meeting of international gymnastics officials and athletes in the United States.

"I trained you, I coached you," Leonid Arkaev said to an Olympic gold medalist, Dmitri Bilozerchev, who has found himself a Soviet agent. "You can go out and make money now. I want some of your money."

"No, we're even now!" Bilozerchev shot back. "When I won, you got more money. I'm going to make money now. You go out and get more people to coach."

Those who watched the argument were shocked, not by the subject but by the combatants.

"Yes, these things are happening now in our country," said Yuri Titov, president of the International Gymnastics Federation and a former Soviet Olympian and sports bureaucrat. "It's inevitable."

Alexander Scriabin for The Washington Post

'It is in both of our interests to save Soviet sports at this level. Maybe everything won't go to ruins in our country, but we will certainly fall behind if all the other countries go on with sponsorship and we do not.'
Leonid Drachevsky
first deputy chairman of Gossport

Moscow's Elite Athletes Are Sheltered Under a Vast Bureaucratic Umbrella

Washington Post Service

MOSCOW — If there is one word that characterizes the organization of the Soviet Olympic movement, it is bureaucracy.

In April 1990 the sports ministry, Goskomsport, shortened its name to Gossport (no one is really certain why) and split — at least in theory — from the Soviet Olympic Committee.

Before that date, the Olympic committee was one of the departments of the sports ministry, and the president of the committee was the minister of sport.

Now, Vitali Smirnov, a respected member of the International Olympic Committee, is president of the Olympic committee, and Nikolai Rusak is chairman of Gossport.

Leonid Drachevsky is Rusak's first deputy. But Drachevsky, who is in charge of sports marketing for Gossport, is closely tied to the Olympic movement, so it is still one big family.

Under this umbrella exists the lifeblood of the Soviet elite sports system: the labor union, police and military clubs. Nearly every top athlete comes from one of these areas.

The unions have financed sports for decades, although some are now pulling back because of the overwhelming financial difficulties of their members. Children of the union workers or from the local area join the clubs and grow up in them.

The revered Dynamo clubs across the country are funded by the militia, or police, and have been linked to the KGB.

Every Soviet man must join the military at age 18, but the top athletes never really serve. They are recruited by the various military clubs to play sports. They receive uniforms and promotions, but their job is to produce Olympic medals.

An athlete can play on a Soviet national or Olympic team and still participate in national competition for his local team, whether it be a military, police or union club.

— CHRISTINE BRENNAN

FA Proposal For Soccer Is Assailed

The Associated Press

LONDON — English soccer officials announced details Wednesday of their plans to set up a Super League in the 1992-93 season, but the proposal came under immediate attack.

The Football Association, which is the sport's governing body in England, is enticing the top clubs away from the 92-team, four-division Football League, which was formed in 1888.

While the FA anticipates £112 million ($179 million) in income from television and sponsorship in its first season, critics said it would divide English soccer.

"We are fundamentally opposed to the FA's proposal for a premier league which we believe is divisive and elitist," said the Football League's chief executive, Arthur Sandford.

According to British press reports, most of the 20 English first division clubs have said they support the plan, but the large majority of those from divisions two, three and four oppose it.

The plan also involves sponsorship of the 119-year-old FA Cup, negotiating TV rights and forming a new organization for fans.

On June 29, 90 members of the FA Council will debate the proposal at their conference.

Sandford said many of the proposals were lifted from the League's own plan for the game presented in October.

"Not only did our governing body ignore the calls for talks then, but they set about stealing our ideas as well," he said.

More opposition to the FA plan came from the players' union and fans' representatives.

The Professional Footballers' Association secretary, Gordon Taylor, whose organization has 2,000 members, said the proposal would break up an institution that had stood the test of time.

"They seem to be looking after the interests of the few without looking after the majority, with big clubs taking most of the money," Taylor said.

The chairman of the Football Supporters Association, Craig Brewin, said the FA proposal was arrogant and impertinent.

"The FA clearly does not understand the game that it seeks absolute control over," Brewin said.

BOOKS

PANAMA: The Whole Story

By Kevin Buckley. 304 pages. $21.95. Simon & Schuster, 1230 Avenue of the Americas, New York, N. Y. 10020.

THE MARCH TO WAR

Edited and Introduced by James Ridgeway. 256 pages. $9.95. Four Walls Eight Windows, Box 548, Village Station, New York, N. Y. 10014.

Reviewed by Herbert Mitgang

THUS far, President Bush has gone to war twice in his first term. Both wars had code names attached to them: The war against Panama in 1989 was called Operation Just Cause and the war against Iraq in 1991 was called Operation Desert Shield (it received a verbal battlefield promotion when the shooting started to Operation Desert Storm).

In previous wars, operational names were used as code words to maintain secrecy. In the wars against Panama and Iraq, Washington devised catchy names to provide instant justification in the minds of people at home. The euphemistic names made a certain sense because they were used in conjunction with preventing the American press from reporting the wars unescorted and uncensored. Readers seeking more informed reporting than what was heard in official briefings can turn to publications that convey more than instant plugs for military celebrities.

Kevin Buckley, a former correspondent for Newsweek, investigated the situation in Panama before and after the war. James Ridgeway, a Washington correspondent for The Village Voice, adds his own commentary to a collection by various writers on the reasons for and the consequences of the Iraq war.

"Panama" is a journalist's book that helps to explain that war's origins. Buckley tells his story in a straightforward way, without particular ardor. The war against Panama turned out to be a large nighttime operation, with a good measure of confusion, including a sort of Keystone Kops' chase to find General Manuel Antonio Noriega and then blast him out of his sanctuary with the help of ear-splitting rock music.

Of course, "Panama" doesn't tell, as its subtitle claims, "The Whole Story." All of the details have yet to be disclosed. What the book does particularly well is trace the origins of the war.

Buckley avoids taking a critical stand. Instead, he allows others to draw the conclusions. José Alberto Alvarez, president of the Panama Bar Association, says: "Of Bush's objectives, only one was really achieved — getting rid of Manuel Noriega. They didn't need to send in a Stealth bomber if they wanted to get Noriega. They could've captured him without an invasion, without destroying the country."

In "The March to War," Ridgeway provides the historical background behind the decision that led to Operation Desert Shield/Storm. What is particularly original in this collection of pieces by columnists and public officials is Ridgeway's own interpretation, which looks beyond the military achievement of the 100-hour ground campaign in Kuwait and Iraq.

Ridgeway writes that, in the next century, "nations will concern themselves more with issues of the environment and natural resources — which in turn hinge on economic interests." He believes that "the apportionment of natural resources" will be more important than ideology and that "many of the issues of the new world order will involve energy. Ridgeway is an environmental optimist.

This is a fairly balanced work that includes opinions about America's role in the Gulf by more than a score of commentators of all shades of opinion, including Henry A. Kissinger, Arthur Schlesinger Jr., James Webb, Edward Said, Noam Chomsky, Patrick J. Buchanan and Barbara Ehrenreich.

Reading both accounts of the two most recent American wars calls to mind the final stanza in Robert Southey's 1798 poem, "The Battle of Blenheim," where the question is asked, "But what good came of it at last?"

And the reply, "Why, that I cannot tell, but 'twas a famous victory."

Herbert Mitgang is on the staff of The New York Times.

BRIDGE

By Alan Truscott

HUGH Ross of the United States sat South and reached the normal contract of four hearts. His two-heart response to one no-trump was a transfer to spades, and the jump to four hearts was natural, offering North of choice of contracts.

The only lead to trouble the declarer was a club, and Daniela von Arnim of Germany duly produced the ten. South won with the ace dummy, and it would seem easy to make the game by taking a heart finesse, cashing the ace and playing spades. That play produces an overtrick, and did at the other table where the hand was played from the North side.

But von Arnim's partner and compatriate, Georg Nippgen, threw a monkey wrench into the works. When a heart was led from the dummy at the second trick, he put up the king, a play that could hardly lose but one that few would think of making. Ross won with the ace and thought matters over. It seemed highly probable that the king was a singleton, although he did not discount the possibility of a falsecard. If West did indeed hold four trumps, the play of the heart ace before playing spades would be an error if West held exactly three spades: he would be able to ruff the fourth spade, cash a winning trump and take a club trick.

So Ross played spades at once, hoping to dispose of both of dummy's remaining clubs. But Nippgen produced his unlikely trump on the third round, and the defense took the club king, the diamond ace and another trump trick to defeat an apparently impregnable contract.

NORTH (D)
♠A5
♡982
♢KQ985
♣A73

WEST
♠8642
♡J104
♢A42
♣Q109

EAST
♠J97
♡KJ
♢J1087
♣KJ865

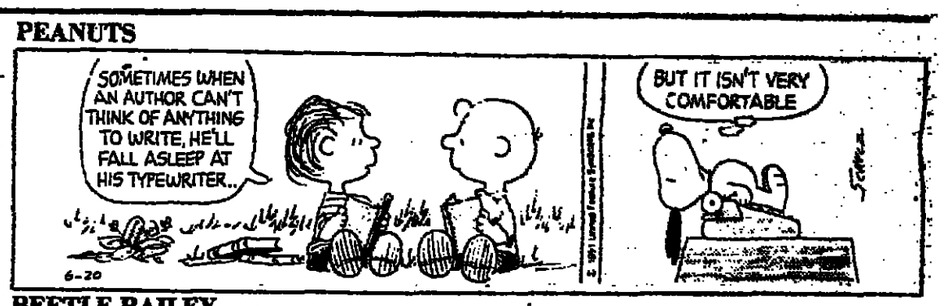
SOUTH
♠KQJ83
♡AQ765
♢3
♣42

Neither side was vulnerable. The bidding:

North	East	South	West
1 N.T.	Pass	2♡	Pass
2♠	Pass	4♡	Pass
Pass	Pass		

West led the club ten.

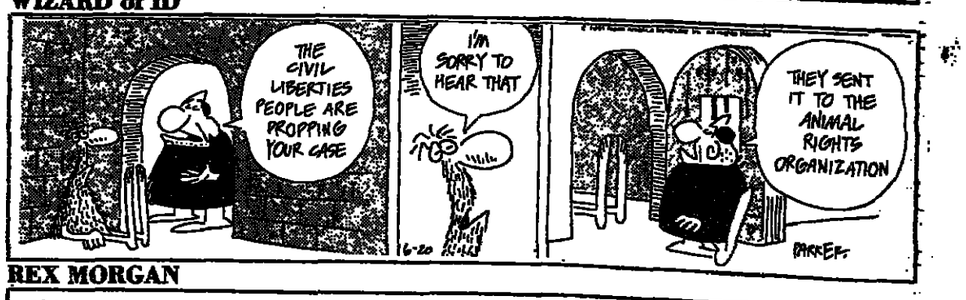
PEANUTS



BEETLE BAILEY

ANDY CAPP

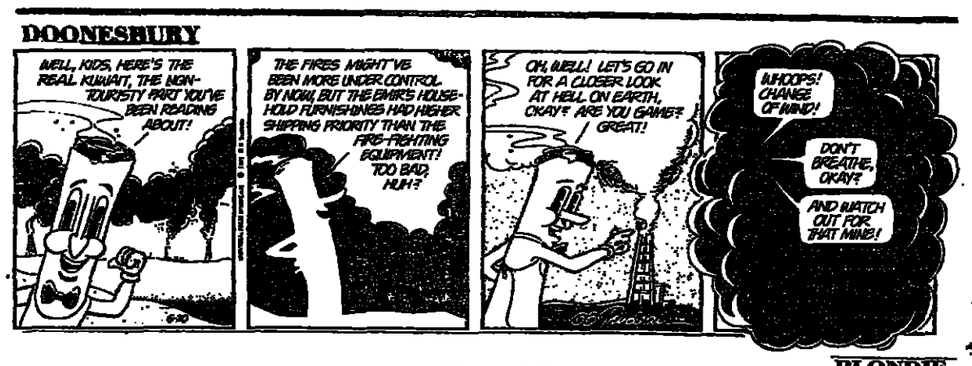
WIZARD of ID



REX MORGAN

GARFIELD

DOONESBURY



DENNIS THE MENACE

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words

DIMAT
INCCY
GOLLAB
SHORCC

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: ( ) ( ) ( ) ( ) ( ) ( )

(Answers tomorrow)

Yesterday's Jumbles: WEDGE UNWED OUTCRY STUDIO
Answer: What it took those dieters to follow their program conscientously— A WORD TO THE "WIDES"

BLONDIE

SPORTS

Twins' Erickson Keeps His Streak Alive

By Robert Fachet
Washington Post Service

BALTIMORE — The Minnesota Twins will leave here with one streak intact.

Scott Erickson recorded a club-record 11th straight victory Tuesday night as the Twins breezed past the Orioles, 9-2.

In a game delayed for 1 hour 53 minutes at the start by rain, the Twins wasted no time mourning the 15-game winning streak that ended Monday. They built a 6-0 lead in the first two innings, fairly good insurance considering that Erickson had allowed a total of five runs in his previous four starts.

With the game-time temperature at 65 degrees Fahrenheit (18 degrees centigrade), Erickson experienced some control problems and left after six shutout innings and 102 pitches. He allowed only one hit, a leadoff double in the first inning by Mike Devereaux, while walking five. Erickson is 11-2 with an earned-run average of 1.51.

"I tried not to think of the delay, just think of it as a normal game starting late," Erickson said. "I screwed around in the bullpen and had a good time until they told us to start playing. Reality set in when he hit the first ball, but after that everything seemed to go all right."

Victim of the Twins' early onslaught was Roy Smith, who lasted 5⅓ innings and yielded seven runs, 11 hits, three walks, two wild pitches and a balk in his first appearance against the team that released him in December after five years.

"We were down six runs before I looked up," said Baltimore's manager, John Oates.

The Twins won for the 19th time in 21 games, increasing their margin over second-place Oakland to 1½ games in the AL West.

Of his streak, Erickson said: "I'm not worrying about it. I do my best every night. I'm not concerned about anything else."

AMERICAN LEAGUE

■ *In other games, The Associated Press reported:*

Royals 12, Rangers 5: George Brett hit a three-run homer, and Kansas City stopped Texas's seven-game winning streak.

Brett's second homer of the season broke a 5-all tie in the fifth inning. The Royals added four runs in the eighth on six singles.

Brett has hit 31 home runs against the Rangers, 19 at Arlington Stadium. He has connected more against Texas than against any other team.

Tigers 2, Athletics 0: Frank Tanana blanked Oakland for 8⅓ innings, and Mike Henneman got the last out as Detroit handed the Athletics their second consecutive shutout at Tiger Stadium.

Cecil Fielder broke a scoreless tie in the seventh inning with a double off Bob Welch for his major league-leading 52d RBI. Mickey Tettleton followed with a run-scoring single.

Welch pitched a three-hitter, but still had his streak of 13 consecutive June victories stopped. Tanana gave up four hits and got career strikeout No. 2,500.

Mariners 2, Red Sox 1: Seattle, shut out on five hits for eight innings, rallied for two runs in the ninth against Jeff Reardon to win in Boston.

Alvin Davis singled with one out and Greg Briley, pinch-hitting, also singled. Alonzo Powell, pinch-running, scored on the play on Kevin Romine's throwing error from right field, and Dave Cochrane singled home the go-ahead run.

Yankees 2, Blue Jays 1: Scott Kamieniecki won his major league debut as New York stopped a six-game losing streak at the SkyDome.

Kamieniecki, 27, gave up two runs on nine hits and four walks in six innings.

Brewers 10, Angels 6: Paul Molitor's leadoff homer sparked a seven-run first inning, and Milwaukee held off visiting California.

Jim Gantner singled twice in the first inning, and he and Greg Vaughn hit two-run singles. Willie Randolph's two-run double finished Joe Grahe, who did not retire a batter.

White Sox 6, Indians 5: Robin Ventura hit Chicago's first grand slam at the new Comiskey Park, and the White Sox extended Cleveland's losing streak to six games.

Ventura hit his third home run of the season and first career slam in the sixth inning for a 6-5 lead. An error by Felix Fermin at shortstop with two outs set up the slam.

Joe Cuza, Reuters

The relay to first was looking grim for Baltimore's fallen Randy Milligan, and the game got grimmer, as the Orioles fell to the Twins.

Outhit Again by Astros, Expos Still Come Out Ahead, 3-2, in the 12th

The Associated Press

Montreal's manager, Tom Runnells, would be happy if his club could produce more offense. His Houston counterpart, Art Howe, would settle for more victories.

The Expos were outhit 8-4 by the visiting Astros on Tuesday night, but used two key throws by right fielder Dave Martinez in the top of the 12th and Tom Foley's RBI single in the bottom of the inning for a 3-2 victory, Montreal's fifth straight.

"I'd like to see the offense produce a few more runs," Runnells said after the Expos beat the Astros in extra innings for the second straight night despite getting only half as many hits as the visitors. "But at least the hits are timely."

So were the two throws by Martinez, who gunned down pinch-runner Mark Portugal trying to go from first to third on Craig Biggio's single off Bill Sampen, then ended the inning by gunning down Biggio at the plate as he tried to score from second on Gerald Young's base hit.

After Martinez preserved the tie, the Expos won the game in the bottom of the 12th when Mike Fitzgerald walked, stole second and scored when Tom Foley lined a 2-0 pitch from Jim Corsi into right field for Montreal's fourth hit of the game.

The Astros outhit Montreal 12-6 in a 16-inning, 3-2 loss on Monday.

Dodgers 6, Cubs 5: Eddie Murray ended a 4-hour, 53-minute marathon, the longest NL game by time this season, with an RBI single in the 13th as the Dodgers outlasted the visiting Cubs.

Chicago went ahead in the 11th on Shawon Dunston's RBI single and again in the 12th on a run-scoring infield hit by Ryne Sandberg, only to have the Dodgers rally each time. Chris Gwynn's RBI triple in the 11th made it 4-4 and Mark Grace's throwing error in the 12th on what would have been the final out tied the score at 5-5.

Mets 7, Reds 5: The Mets wasted Howard Johnson's grand slam but won anyway when Kevin McReynolds' pinch-hit RBI single off Rob Dibble in the eighth broke a tie.

Johnson's third-inning grand slam gave the Mets a 5-2 lead, but the visiting Reds got single runs in the fifth and seventh before Chris Sabo tied it in the eighth with a sacrifice fly off Alejandro Pena.

But the Mets loaded the bases against Randy Myers before McReynolds singled through a drawn-in infield against Dibble for the go-ahead run.

Pirates 3, Padres 1: Jay Bell's tie-breaking two-run single in the top of the ninth gave the Pirates their second straight victory in San Diego.

Cardinals 3, Giants 1: Bob Tewksbury allowed four hits and an unearned run in eight innings for the visiting Cardinals as San Francisco lost its third straight.

Phillies 8, Braves 4: Wally Backman celebrated his 1,000th major league game with three doubles and former Atlanta star Dale Murphy hit a two-run homer in Philadelphia.

■ Dravecky Loses His Arm

Dave Dravecky, the former San Francisco Giants pitcher undergo surgery to amputate his left arm and shoulder, the Memorial Sloan-Kettering Cancer Center in New York said Wednesday, The Associated Press reported.

The surgery was performed Tuesday by Dr. Murray Brennan. The operation removed the arm and shoulder that had brought Dravecky so much success as a pitcher but that in the end had become the source of too much pain.

It was announced last week that Dravecky's arm, in which cancer was diagnosed in 1988, would be amputated at the shoulder.

The surgery was the fourth operation on Dravecky's arm since the cancer was detected.

He underwent his first operation Oct. 7, 1988, after a cancerous tumor was diagnosed in the primary throwing muscle of his left arm. Doctors conducted an eight-hour operation to remove a malignant tumor and nearly half the deltoid muscle, and told him he never would pitch again.

Ten months later, Dravecky was back on the mound and pitched seven shutout innings for the Giants in a 4-3 victory over the Cincinnati Reds.

But five days later, while pitching against the Montreal Expos, his left arm snapped and he collapsed on the mound. The bone healed and Dravecky was considering another comeback when the arm was broken again, this time during a celebration with his teammates when the Giants clinched the 1989 National League pennant.

Even With a String of Victories, Rivals Can't Shake the A's

By Murray Chass
New York Times Service

NEW YORK — Certainly any time a baseball team wins 14 consecutive games or 15 in a row, it has performed a remarkable feat. Give the Texas Rangers (14) and the Minnesota Twins (15) the credit due them. But double the credit due the Oakland Athletics.

Try as the other teams in the American League's Western Division might, they haven't been able to shake the defending three-time champions.

"It just gives you a real indication of how good that team is," said Jim Lefebvre, the Seattle Mariners' manager. "If not for those streaks, they might be 12 in front. It takes these streaks just to catch up to them. Texas has a 14-game winning streak, they lose one game and they're half a game behind Oakland."

Actually, the loss that ended the Rangers' streak only caused them to lose their one-game lead; they didn't drop out of first place for two more games. But Lefebvre had made his point.

Other teams have made the same discovery. The Chicago White Sox won their first six games of the season only to find themselves even with Oakland in the games-behind column because the Athletics won seven of their first eight games.

The Twins, for their 15-game winning streak, managed to gain only a one-half game lead over the Athletics. In fact, if Oakland had won on Monday night, the Twins would have tumbled out of the division lead by losing for the first time in more than half a month.

But the Twins won in Baltimore on Tuesday and the A's lost in Detroit, giving Minnesota a 1½-game lead.

"We haven't had an extended bad period," said Tony La Russa, the Oakland manager, discussing his team's ability to stay on or near the top. "If we lose a couple, we win a series. We lost two to Boston, but we came back and beat Detroit two out of three. We've been able to be consistent."

In the first four weeks of the season, the Athletics had winning streaks of seven and six. American League teams have had winning streaks of five or more 12 other times.

The National League has had eight such streaks, the longest being Pittsburgh's nine-game span. Losing streaks have reached five or more 18 times in the American League, nine times in the National League.

In many instances, impressive winning streaks have been wiped out by long losing streaks.

The Mariners spent nearly the first two months alternating streaks. They lost the first six games of the season, won the next eight, lost the next five.

A few days later, they embarked on a six-game winning streak, lost one game, then won six in a row. But two games after the second streak ended, they suffered the first of seven successive losses.

American League West teams have been the streakiest. They have reeled off the six longest winning streaks in the league and nine of the longest 10. On a major league level, they have five of the six longest and nine of the 15 longest.

Becker Deplores Money In Tennis as 'Obscene'

The Associated Press

LONDON — Boris Becker has added his voice to the chorus of criticism against the huge amounts of money in tennis.

"It's obscene," he said. "Tennis is going in the wrong direction and one day it is going to fall apart completely.

"The money is now so great that it has to stop and I would not be disappointed if it did."

Last week, Philippe Chatrier, the outgoing president of the International Tennis Federation, warned that money was a "cancer" killing the sport.

Becker, 23, has made more than $8 million in prize money in his career and his total worth is reported to be near $50 million.

But the German has never been comfortable with the commercial pressures of the sport.

"It's easy for me to talk in a way because I have more money than most people, but it's not the point," Becker said.

"I would rather have played in the days when you played a match and then you showered and went home," he said. "I will never come to terms with the commercial side of the game."

Becker said the tour should be slimmed down to focus on the Grand Slam tournaments and cut down on the smaller events.

"I would say the players ranked between 15 or 20 and 60 and 70 make too much money for how good they are," he said.

■ McEnroe Upset

John McEnroe's preparations for Wimbledon received a setback Wednesday when he was beaten by Cristiano Caratti of Italy in the Manchester Open grass court tournament, The Associated Press reported from Manchester, England.

Caratti won 7-6 (7-5), 7-6 (7-5), in a first-round match pushed back for a day because of rain.

Agassi: Religion Ended His Drug And Alcohol Use

The Associated Press

LONDON — Andre Agassi's casual use of whiskey and marijuana as a teen-ager ended when he found religion, the tennis star said in an interview published Wednesday by a British tabloid newspaper.

"I began to have a total disregard for alcohol and drugs when I got a stronger faith in God," he said in the interview with the Daily Express.

Agassi, who spent most of his adolescence at a tennis academy in Florida, said he had had trouble dealing with such a disciplined environment.

"I used to rebel against everything when I was younger," he said. "I got to drinking some when I hung out with the other guys. In the academy it was tougher to get away with, but I enjoyed it because you weren't supposed to. I smoked pot."

But he said he changed after a friend "who was rather wild became a Christian."

"I was curious about it and he invited me to a Bible study group," he said. "If I'd been bored, nothing would have changed. But I wasn't. I was prepared to give it a chance. I had seen the damage the other stuff, drugs and drink, could do."

Rob Taggart/Reuters

Martina Navratilova's game was hardly cold in Eastbourne, but she suggested the ITF "find some way" for her to play in the Olympics.

Navratilova: An 'Exception' for '92?

Compiled by Our Staff From Dispatches

EASTBOURNE, England — Martina Navratilova says she hopes the International Tennis Federation will allow her to play in the Olympics next year, even though she has not met the eligibility requirements.

"I would love to play because it will be my last chance," Navratilova, 34, said at the Eastbourne grass court tournament, where she stormed past Brenda Schultz, 6-1, 6-2, on Wednesday and into the quarterfinals.

The ITF said Navratilova would be ineligible for the 1992 Games because she declined to play in the Federation Cup next month.

The rules state that players must make themselves available for the Federation Cup or Davis Cup in order to qualify for the Olympics.

"I just hope the International Federation will make an exception in my case and find some way to let me play," said Navratilova, who has played for the U.S. Federation Cup team in the past. *(AP, Reuters)*

SIDELINES

Rodgers to Coach Timberwolves

MINNEAPOLIS (AP) — Jimmy Rodgers, fired last year as coach of the National Basketball Association's Boston Celtics, was hired Wednesday as coach of the Minnesota Timberwolves.

Rodgers succeeds Bill Musselman, who was fired April 22 because of what the NBA team's president, Bob Stein, called "philosophical differences." Rodgers, 48, had 42-40 and 52-30 records in his two seasons at Boston. But his inability to win in the playoffs is what cost him his only NBA head coaching job.

Rodgers spent one season as an assistant at Arkansas before beginning his NBA career as a scout and assistant coach with the Cleveland Cavaliers. He joined the Celtics as K.C. Jones's assistant in 1983 and took over as head coach in May 1988 when Jones stepped down.

Canada Track Body Bars 2 for Drugs

OTTAWA (AP) — Sprinters Brian Morrison of Canada and William Hinchcliff of New Zealand have been suspended for at least two years after testing positive for steroids, Athletics Canada said Wednesday.

Athletics Canada said Morrison and Hinchcliff, who lives and trains in Calgary, tested positive for the anabolic steroid stanozolol, the same banned substance found in Ben Johnson's urine after his gold medal run at the 1988 Seoul Olympics.

Red Star Coach Quits, Citing Fatigue

BELGRADE (AP) — The coach of Red Star Belgrade, the winner of this year's European soccer Club Champions' Cup, has resigned, complaining of burnout, the Yugoslav press reported Wednesday.

Ljubomir Petrovic, 46, who has been training the team for over a year, told reporters he resigned because of "physical and emotional exhaustion," the official news agency Tanjug reported. A Red Star official said, however, that Petrovic was considering an offer by Español, a Spanish club. Petrovic reportedly said he has had offers from four foreign clubs.

"None of the offers is serious though," Petrovic was quoted as saying. He could not be reached for comment. The club was expected to appoint former Red Star coach Vladica Popovic to fill the vacated post by the end of the week, the official said.

For the Record

Leroy Burrell, the world record holder in the 100 meters, has been added to the field in the first showdown between Carl Lewis and Ben Johnson since the 1988 Olympics, French track meet officials announced Wednesday. The meet is set for July 1 in Lille. *(AP)*

Fabio Capello, a former strike for the Italian national soccer team, has replaced Arrigo Saachi as coach of AC Milan. *(Reuters)*

Bill Parcells, former coach of the National Football League's New York Giants, has signed a three-year contract with NBC to be a studio analyst for "The NFL Live," an NBC Sports program. His contract is worth $250,000 this season and will escalate to at least $400,000 if he stays through its duration, said sources familiar with the deal. *(NYT)*

Diego Maradona, the Argentine soccer star, appeared in a Buenos Aires court on Wednesday where a former Argentine striker, José Sanfilippo, dropped a slander case against him involving a dispute over who was the greatest player ever, Maradona or Pelé. Maradona is out on bail on cocaine charges and is undergoing drug treatment. *(Reuters)*

SCOREBOARD

BASEBALL

ajor League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
	33	29	.532	—
	34	30	.531	—
	31	32	.492	2½
	29	32	.468	4
	26	33	.441	5½
	23	39	.371	10
	22	39	.361	10½
West Division				
	39	24	.600	—
	37	27	.578	1½
	33	26	.559	3
	34	29	.540	4
	34	29	.540	4
	30	31	.492	7
	30	32	.484	7½

NATIONAL LEAGUE

East Division				
	39	22	.639	—
	34	29	.540	6
	33	29	.532	6½
	31	33	.484	9½
	30	34	.469	10½
	28	36	.438	12½
West Division				
	38	25	.603	—
	33	30	.524	5
	31	30	.508	6
	33	33	.500	6½
	25	39	.391	13½
	25	40	.385	14

y's Line Scores

AMERICAN LEAGUE

000 000 000—0 4 1
000 000 20x—2 3 0
J Sleisbach; Tanana, Henneman Nelson, W—Tanana, 4-6. L—Welch, Aneman (10).

000 000 002—2 8 0
000 010 000—1 10 1
Jackson (9) and Valle, Cochrane (9); Darwin, Fossas (8), Reardon 6. W—Krueger, 4-2. L—Reardon, 6-3on (10).

102 000 010—4 11 0
001 100 000—2 11 0
ckl, Mahyon (7), Howe (7), Farr es; Timlin, MacDonald (4), Ward rs, Borders (9). W—Kamieniecki, llin, 5-4. Sv—Farr (7).

000 201 010—4 7 1
000 204 00x—6 9 0
Candiotti, York (7), Orosco (8) and Alomar, Skinner (2); Hough, Pall (8), Thigpen (9) and Wakamatsu. Fisk (9). W—Hough, 4-3. L—Candiotti, 7-6. Sv—Thigpen (13). HRs—Cleveland, Alicea (1), Buerge 2 (7). Chicago, Ventura (3).

California	000	000	000	—	6	11	0
Milwaukee	700	020	10x	—	10	14	0

Grahe, Fetters (7), Bolles (8), Robinson (8) and Orton, Tingley (7); Higuera, Machado (6), Lee (8), Plesac (8) and Surhoff. W—Higuera, 2-2. L—Grahe, 0-1. Sv—Plesac (2). HRs—California, Winfield (12). Milwaukee, Molitor (6).

Kansas City	200	200	100	—	12	15	1
Texas	302	000	000	—	5	10	0

Appier, Aquino (6) and Macfarlane; Alexander, Rogers (5), Petkovsek (8) and Stanley, Petrolli (7). W—Appier, 4-7. L—Rogers, 4-6. Sv—Aquino (1). HRs—Kansas City, Stillwell (3), Brett (2). Texas, Reimer (3).

Minnesota	300	007	011	—	9	12	1
Baltimore	000	000	020	—	2	4	1

Erickson, Willis (7) and Ortiz; Smith, Kilgus (6), Hickey (9) and Melvin. W—Erickson, 11-2. L—Smith, 3-1. Sv—Willis (1). HR—Minnesota, Mack (6).

NATIONAL LEAGUE

Atlanta	000	100	020	—	3	8	2
Philadelphia	410	021	00x	—	8	10	0

P.Smith, Mahler (7), Freeman (4), Stanton (7), Marcker (8) and Olson; DeJesus, Beever (8) and Daulton. W—DeJesus, 4-2. L—P.Smith, 1-1. HR—Philadelphia, Murphy (11).

Cincinnati	200	010	110	—	5	13	2
New York	014	000	02x	—	7	8	0

Browning, Power (7), Myers (8), Dibble (8) and Reed; Whitehurst, Innis (7), Souveur (8), Pena (8) and Carina. W—Pena, 3-0. L—Myers, 3-5. HR—New York, Johnson (15).

Houston	001	001	000	000	2	8	2
Montreal	001	000	010	001	3	4	2

(12 innings)

Kile, Clancy (9), Corsi (12) and Nichols; Blasio (12); Barnes, Piatt (8), Sampen (11) and Fitzgerald. W—Sampen, 5-1. L—Corsi, 0-4. HR—Houston, Young (1).

St. Louis	100	000	200	—	3	4	1
San Francisco	000	000	010	—	1	6	0

Tewksbury, L.Smith (9) and Pagnozzi; Wilson, Segura (7), LaCoss (9) and Decker. W—Tewksbury, 6-2. L—Wilson, 3-4. Sv—L.Smith (17).

Pittsburgh	000	100	002	—	3	10	1
San Diego	000	001	000	—	1	4	0

Tomlin, Belinda (7), Heaton (8), Landrum (8) and LaValliere; Peterson, Rodriguez (6), Lefferts (8) and Santiago. W—Landrum, 1-0. L—Lefferts, 0-3. HR—Pittsburgh, LaValliere (2).

Chicago	000	003	000	011	5	8	2
Los Angeles	020	000	000	011	6	13	1

(13 innings)

Scanlan, McElroy (6), Assenmacher (7), De.Smith (10), Slocumb (12), Bielecki (12) and Wilkins; Belcher, Crews (8), Candelaria (9), J.Howell (10), Gott (11), Hartley (12) and Scioscia. W—Hartley, 1-0. L—Bielecki, 8-6. HR—Chicago, Sandberg (10).

Japanese Baseball

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	33	22	1	.600	—
Chunichi	31	22	1	.585	1
Hiroshima	28	23	1	.549	3
Yomiuri	30	27	0	.526	4
Tokyo	26	29	1	.473	7
Honshin	15	40	0	.273	18

Wednesday's Results
Yakult 8, Hiroshima 7
Tokyo 7, Chunichi 3
Yomiuri 7, Honshin 3

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	34	19	2	.642	—
Kintetsu	30	24	0	.556	4½
Nippon Ham	29	25	1	.537	5½
Daiei	25	24	0	.510	7
Orix	22	33	1	.400	13
Lotte	20	35	0	.364	15

Wednesday's Results
Seibu 6, Orix 5, 10 innings
Nippon Ham 4, Kintetsu 3

TRANSACTIONS

BASEBALL
American League

BALTIMORE—Signed Shawn Curran, catcher, and assigned him to the Orioles' team in the Gulf Coast League.

BOSTON—Activated Mike Marshall, first baseman and outfielder, from 15-day disabled list. Sent Jeff Plympton, pitcher, to Pawtucket, International League.

CALIFORNIA—Activated Floyd Bannister, pitcher, from 15-day disabled list. Optioned Bobby Rose, infielder, to Edmonton, Pacific Coast League.

DETROIT—Put Jerry Don Gleaton, pitcher, on 15-day disabled list, retroactive to June 11. Sent Mike Dalton, pitcher, to Toledo, International League. Activated Lloyd Moseby, outfielder, from 15-day disabled list. Recalled Mike Munoz, pitcher, from Toledo.

KANSAS CITY—Put Mark Davis, pitcher, on 15-day disabled list. Recalled Hector Wagner, pitcher, from Omaha, American Association.

N.Y. YANKEES—Put Mike Witt, pitcher, on 15-day disabled list as of June 14. Bought contract of Carlos Rodriguez, infielder, from Columbus, International League. Purchased contract of Scott Kamieniecki, pitcher, from Columbus. International League. Optioned Chuck Cary, pitcher, to Columbus.

OAKLAND—Activated Curt Young, pitcher, from 15-day disabled list. Designated Doug Jennings, outfielder, for assignment. Activated Rick Honeycutt, pitcher, from 15-day disabled list. Optioned Bruce Walton, pitcher, to Tacoma, PCL.

TEXAS—Signed Jon Pitts, catcher, and assigned him to the Rangers' team in the Gulf Coast League.

TORONTO—Sent Willie Fraser, pitcher, to Syracuse, International League. Purchased contract of Mickey Weston, pitcher, from Syracuse.

National League

CINCINNATI—Activated Scott Scudder, pitcher, from 15-day disabled list. Put Eric Davis, outfielder, on 15-day disabled list as of June 12. Signed Yeamil Concepcion, third baseman, and assigned him to Princeton, Appalachian League.

L.A. DODGERS—Put Darryl Strawberry, outfielder, on 15-day disabled list. Recalled Dave Hansen, infielder, from Albuquerque, Pacific Coast League.

MONTREAL—Signed Clifford Floyd, first baseman. Put Kenny Williams, outfielder, on 15-day disabled list as of June 13. Bought contract of Bret Barberie, infielder, from Indianapolis, American Association. Put Chris Nabholz, pitcher, on 15-day disabled list. Bought contract of Chris Haney, pitcher, from Harrisburg, Eastern League.

N.Y. METS—Signed Marc Kroon and Jeffrey Henderson, pitchers; Randy Curtis, outfielder, and Mike Tosar, infielder. Put Vince Coleman, outfielder, on 15-day disabled list. Activated Keith Miller, infielder, from 15-day disabled list. Recalled Chuck Carr, outfielder, from Tidewater, International League. Optioned Julio Valera, pitcher, to Tidewater.

PHILADELPHIA—Recalled Wes Chamberlain and Sil Campusano, outfielders, from Scranton-Wilkes-Barre, IL. Outfooted Andy Ashby, pitcher, to Scranton-Wilkes-Barre. Designated Rick Schu, infielder, for assignment. Activated Danny Cox, pitcher, and Darren Daulton, catcher, from 15-day disabled list. Sent Darrin Fletcher, catcher, to Scranton-Wilkes-Barre, International League.

SAN DIEGO—Marty Barrett, second baseman, cleared waivers and is free agent. Put Allen Hammaker, pitcher, on 15-day disabled list as of June 14. Sent Jose Mota, infielder, to Las Vegas, PCL, and Phil Stephenson, first baseman, to Las Vegas for a 28-day medical rehabilitation assignment. Activated Paul Faries, second baseman, from 15-day disabled list. Purchased contract of Tim Scott, pitcher, from Las Vegas, Pacific Coast League.

SAN FRANCISCO—Released Rick Reuschel, pitcher.

BASKETBALL
National Basketball Association

CHICAGO—Signed Scottie Pippen, forward, to contract extension.

FOOTBALL
National Football League

BUFFALO—Signed Bjorn Nittmo, placekicker; Chris Mohr, punter; Ron Sancho, linebacker; John Garrett, wide receiver; Ken Hackenack, offensive tackle; and Judd Garrett, running back.

DENVER—Signed David Galloway, defensive end, and Kie Carrington, safety. Agreed to terms with Scott Beavers, guard, and Tim Stallworth, wide receiver, on one-year contracts.

GREEN BAY—Signed Don Davey, defensive lineman.

KANSAS CITY—Signed David Bailey and Shawn Knight, defensive ends.

L.A. RAMS—Signed Vernon Maxwell, linebacker.

NEW ENGLAND—Waived Ernest Gibson, cornerback.

N.Y. GIANTS—Signed Mike Perez, quarterback.

N.Y. JETS—Signed Paul Gionek, defensive tackle; Louie Aguiar, punter; Mark Hayes, tackle; Mark Gunn, defensive end, and Dennis Lalonde, linebacker.

PHOENIX—Added Ralph Hawkins to scouting staff. Traded Lonnie Young, safety, to N.Y. Jets for undisclosed draft pick. Signed Steve Hyde, linebacker.

PITTSBURGH—Signed Richard Shelton, cornerback-punt returner, and Bob Kula, guard. Named John Norwig head trainer.

HOCKEY
National Hockey League

BOSTON—Signed Ted Miskuloci, right wing.

CALGARY—Traded Brian MacLellan, left wing, to Detroit for Marc Habscheid, center.

N.Y. ISLANDERS—Signed Chris Taylor, center, and Joel Lebbo, defenseman.

N.Y. RANGERS—Signed Jason Prosofski, right wing.

VANCOUVER—Signed Cam Brown, left wing.

WINNIPEG—Named John Paddock coach.

COLLEGE

MIDWESTERN COLLEGIATE CONFERENCE—Named Bret Gilliland associate commissioner and Mike Hermann assistant commissioner.

NATIONAL ASSOCIATION OF COLLEGE DIRECTORS OF ATHLETICS—Elected Bill Byrne president.

METRO CONFERENCE—Named Bill Stokes supervisor of conference officials for women's basketball.

WEST COAST CONFERENCE—Named Jana Steel public relations assistant.

BALL STATE—Beth Kirchner, women's assistant softball coach, resigned.

BETHUNE COOKMAN—Named Lynn W. Thompson interim athletic director.

BUTLER—Named Thad Matta athletic assistant for academic counseling and event management.

CAL STATE FULLERTON—Named Bill Shumard athletic director.

COLBY COLLEGE—Named Carol Anne Beach women's basketball coach and Thomas Dexter baseball coach.

CORNELL—Named Benly Taylor assistant basketball coach.

DARTMOUTH—Named Roger Demment hockey coach and Dave Faucher basketball coach.

FAIRFIELD—Named Jay Lawson assistant basketball coach.

HOFSTRA—Gene Schaiz, assistant basketball coach, resigned.

LONG BEACH STATE—Named Matt Ruiz and Margaret Mohr women's assistant basketball coaches.

NIAGARA—Named Ryan Ford assistant basketball coach.

NOTRE DAME—Named Jimmy Black assistant basketball coach. Retained Fran McCaffery and Jeff Nix, assistant basketball coaches.

OBERLIN—Named Gene DeLorenzo basketball coach.

PACIFIC—Named Ardie McInelly women's assistant basketball coach.

PENN STATE—John Amaechi, basketball center-forward, will transfer from Vanderbilt.

PITTSBURGH—Dismissed Terrance Wheatley, linebacker; Derrick Hicks, nose tackle, and Ken Abrams, cornerback, from football team.

PRINCETON—Named Lisa Brown women's ice hockey coach. Named Moira Buckley women's soccer coach.

ST. FRANCIS, PA.—Named Genevieve Przekwas women's basketball coach.

ST. JOHN'S—Named Doug Ramirez men's and women's fencing coach.

SHIPPENSBURG—Art Fairchild, baseball coach, will return after announcing retirement last month.

SOUTH CAROLINA—Named Clyde Christensen running backs coach.

TENNESSEE STATE—Named Ricardo Patton assistant basketball coach.

UCLA—Named Guy Baker men's water polo coach.

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ART BUCHWALD

U.S. Tribal Customs

WASHINGTON — My friend Walla Dubois, from Tanzania, came to see me. When I visited his country, Walla entertained me at a tribal music festival in his village, and I thought it only fair to reciprocate.

"Would you like to go to Disney World?"

"No," Walla replied, "I want to go to a rock concert and be with the real people of America."

Buchwald

I had no choice but to get tickets for a Madonna concert.

Walla was terribly excited. "Wait until my people back home hear that I went to see Madonna. Is she still going with Warren Beatty?"

We entered the stadium where thousands of fans were naked to the waist waving their shirts in the air.

Walla whispered to me, "Do you think they'd mind if I took pictures of them? My tribe will not believe it."

"I'm sure they won't," I told him.

"Rock concert fans are always posing for tourists."

Walla snapped away as Madonna writhed all over the stage.

The fans had their arms stretched up in the air in some sort of fascist salute. I said to Walla, "How does this compare to home?"

"We never get this primitive," he confided. "Our tribal dancing requires discipline and some sense of decorum. This is the first time I've seen so many savages in one place."

"They're not savages," I assured him. "They are just our children doing their own thing with our money."

"Madonna loves her body, doesn't she?" Walla remarked.

"If our kids couldn't yell and scream and wave their hands they would feel cheated, and they might go out and trash all of Queens. You must understand our customs, Walla. They may seem strange to you, but they have been part of our way of life for 20 years."

□

"I have just figured out the main difference between our music and yours."

"What is it?"

"Our performers play on drums and yours play on loudspeakers."

"That's true. But notice how sexual Madonna is when she is singing to the audience. It's almost as if she is making love to the entire world."

"In my country we're forbidden by the Supreme Tribal Council to do that. They no longer allow anyone to get too carried away by the passion of the moment. If Madonna comes to Tanzania she will have to put some clothes on, or they will run her out of the country."

"She couldn't. What makes her a great artist is that everyone is turned on by her costumes."

□

Walla said, "If she lived in our land, we'd find a good husband to beat her."

"We can't have any of that. Look at how many people she is making happy."

"What do these fans do when they are not at concerts screaming and dancing in the aisles?"

"They repair computers, perform heart surgery, fill prescriptions, fix cars and develop intercontinental ballistic missile systems. You wouldn't know it to look at them, but a lot of these folks are in charge of air traffic safety."

He said, "It figures."

Never Mind Facts, 'Robin' Draws

The Associated Press

LOS ANGELES — Historians can start shooting arrows through "Robin Hood: Prince of Thieves."

The film starring Kevin Costner plays fast and loose with medieval facts. Set in 1194, "Robin Hood" features a series of wanted posters. One problem: Johann Gutenberg's printing press was more than 200 years in the future. Azeem, Robin Hood's companion, produces a crude telescope whenever the enemy approaches. The first telescope wasn't invented until the early 1600s. Azeem might have had access to the gunpowder he uses in a key rescue sequence, except that gunpowder didn't reach Europe until the 14th century.

Audiences didn't appear to be bothered by the anachronisms, though. U.S. moviegoers spent $25.6 million to see the film during its first weekend.

The Talking Wounded: Here's Ali McGraw

By Martha Sherrill
Washington Post Service

SANTA MONICA, California — Ali MacGraw came to the bleached-white café in bleached denim — the palest blue — head to toe. Her thin, tan fingers played with silver rings. Her nail polish was clear. She shifted the glasses around on the table linen. She stroked a straw, gently, for nearly two hours. Her voice was powdery and deep. She smelled like freesia.

She was super nice, appreciative, nearly mealy. She wanted to be liked. She cared. She looked young — yes — and soft. She has a freshness, and a sadness, that no camera has captured. She leaned closer. She's 52. She pointed to her lip. She said there was a cold sore on it. It was indiscernible, but she swore it was there. She smiled — a glorious traffic jam of huge white uncapped teeth — and you could feel her thinking about it.

Over and over in her book, she shuffles her faults like tarot cards.

Her dog sat outside in the Southern California sunlight, tied to a parking meter and wearing a bandanna. Her new boyfriend — his first name is Jeff — sat waiting in a car. Her son, Josh Evans, turned up — perhaps another member of her support group — with his girlfriend, Natasha Wagner, the daughter of Natalie Wood and adopted daughter of Robert Wagner.

"He's so wonderful," MacGraw said. "He's my favorite human being on the planet, and he goes out with a girl I'm nuts about. Their relationship is so much about, among other things, friendship and respect."

Friendship. Respect. Why didn't she get more of that? Over and over in her new book, "Moving Pictures," she shuffles her faults like tarot cards, searching for an explanation. What happened to her life? Why hasn't she been happy? She examines herself through a gigantic microscope: A wrinkle becomes a crevice. Two glasses of wine a night becomes a problem with alcohol. A few unhappy affairs become an addiction to men. She digs up her own dirt. She describes herself as looking and feeling "like garbage." She joins the legions of the talking wounded.

Six years ago, she checked into the Betty Ford Clinic. She thought she was having a nervous breakdown. Outside, she looked good — the byproduct of endless workouts and diets and yoga. Inside was a crazy mess, a tight ball of tangled doubts. Her father had been a heavy drinker. He sat around the house — apparently both a genius and a failure — writing notes to himself in a language he had made up. Her mother — who earned the money, but not enough — was quiet, critical. Was that the problem?

Was she an adult child of something or other?

She didn't want to believe in accidental stardom, but she always felt defective — not smart enough, not pretty enough. She told the Betty Ford Center counselor that she wasn't a drinker. That she didn't drink all the time. That mostly she'd have a couple glasses of wine a night, but sometimes she'd get bombed alone, paint, and call strangers on the phone.

"Like me, most people have been brought up to think that an alcoholic is face down in the gutter with a raincoat," she said at the café. "The fact is, as we all know now — anybody who's been in treatment — that addiction to alcohol comes in a million different ways."

She had been a romantic, dreamy girl. Her lifelong idol was Zelda Fitzgerald — the Zelda who danced on tabletops at parties, not the Zelda who wound up covered with eczema sores in a sanitarium. She wanted to fall in love every week. She'd tried so many men. She married a Harvard boy, then a Hollywood producer, then a movie star. But there were surprises. They never turned out to be the guys she thought they were.

She had affairs. There was a succession of married guys — a professor, an entertainment executive — and then the harmonica player in Willie Nelson's band.

She'd been on the broke side too. She'd left Robert Evans for Steve McQueen, taking only 2-year-old Josh with her. When she left McQueen five years later, she didn't ask for a dime. Three marriages in all, and still she didn't have a house of her own, even a piece of silver. Maybe there's some justice in this: She'd cheated on all of them.

Camera Press

McGraw: Friendship. Respect. Why didn't she get more of that?

After Betty Ford, she went a year without men. "It was fabulous," she said. "And it was the hardest thing in the beginning, and then it wasn't hard at all. . . . I've done it a couple of times since then — I've had mini-relationships and then gone for 8, 9, 10, 11 and 12 months without any sex and any fantasy life about somebody, and it has been the single most important growing time for me as a woman."

Her face is on the cover of "Moving Pictures." It's on the back. It's on the spine! It's beautiful, clear and honest. A no-tricks beauty — only an eye job eight years ago.

"And thank God," she said. "I should have had them done right after the second grade, because I had these huge eyebrows."

She looks terrific.

"Yeah," she said, "except on film there was no space between my eyebrows and my eyelids."

This isn't vanity, or narcissism. There's a black hole of fear where her ego should be. Those confidently quipped insults of hers in "Goodbye, Columbus" and "Love Story," the flared nostrils, the smug East Coast voice, the upturned nose, the disapproving mouth. . . . It was all an act. A bad one.

"This is who I am," she said in her pale blue denim. And she was pointing to her lip, to the cold sore that wasn't there.

There was a long publicity tour, and then the rewards of that: "Moving Pictures" got up to fourth place on the New York Times best-seller list for three weeks running. It sank to 14th, then rose again to 10th, then vanished.

People are buying the book, the same way they once — God, it was so long ago! — lined up to see her die in "Love Story" or fingered through fanzines to see pictures of her Malibu hippie life with Steve McQueen . . . the dune buggies, the beach sweat, the love beads and wind-swept hair.

"I had it all," she said. "I had been in a blockbuster picture. I had style. I had an education. Taste. . . . I'd had a real life — 15 years working in the real world. I hadn't dreamed about being in the movies, and suddenly, I was the biggest thing walking. That is the American fairy tale."

Soon, though, the fairy tale began to wobble. When "The Getaway" was released in 1972, the critic Pauline Kael called her "the worst actress in America."

For five years, she didn't work. This was blamed on Steve McQueen, her husband during those years. He wanted her at home, it was said. When their marriage fell apart — he cheated, she cheated — she thought of acting again. It was her craft, after all. In 1977, she accepted — at her agent's pleading — a part in "Convoy" with Kris Kristofferson. When she came home to tell McQueen, he said: "In that case we are filing for divorce."

A long series of flops ensued.

Ali MacGraw can't imagine staying in California much longer now. She stayed because of Josh. "I wanted my child to have his father and his mother available to him all the time," she said. But now Josh Evans is working — he played the manager in "The Doors" — and he's gotten his first apartment.

"I'm an Easterner," she said. "That's it."

She has a house of her own now, in New Mexico. And maybe she'll find another spot, in Maine or Vermont or somewhere quiet and beautiful. She might keep writing. "I like the process," she said.

PEOPLE

Milli Vanilli Syncs Lips To Sell Bubble Gum

Robert Pilatus and Fabrice Morvan are up to their old tricks, but more or less on the up and up. As Milli Vanilli they Grammy as last year's best new artists was rescinded when it was revealed that they didn't really sing on their album or at their concerts. In a commercial for Care-Free Sugarless Bubble Gum, the two mouth the words to an Italian opera. When a mishap exposes the ruse, an announcer says: "How long does the flavor last? Until these guys sing for themselves." A spokesman for the manufacturer said Milli Vanilli is still big in the bubble gum set.

□

Until recently, Marvin Josephson, owner of the International Creative Management agency in New York, had only two clients: Barbara Walters and Henry Kissinger. Now he has four. The first addition to his private client list was General H. Norman Schwarzkopf. The second is Margaret Thatcher. The agent said he signed an agreement Tuesday to represent the former British prime minister worldwide and would be offering her memoirs to publishing houses in the next few days.

□

The choreographer Agnes de Mille was awarded the American Ballet Theatre's first American Treasure award and had this to say at the award luncheon at the Metropolitan Opera: "Dancing is a lot like chicken pox. It usually hits people when they're young, and while it's rarely fatal, it's not something one gets over easily." And: "The arts teach us what we are, why we are and how we are."

□

The comedian Roseanne Barr and her husband, Tom Arnold, say they have settled a multimillion-dollar lawsuit alleging that two tabloids published four stolen love letters she had written to him. Terms of the settlement were not made public, but a spokesman for the actress said both the National Enquirer and the Star have returned the letters. Iain Calder, editor of the Enquirer, said: "We continue to maintain our right to publish material that we believe has been sent to us legitimately. However, we do sympathize with the distress felt by Roseanne and Tom at the loss of the letters, and are sorry they were upset by this incident."

Today's INTERNATIONAL RECRUITMENT Appears on Page 12

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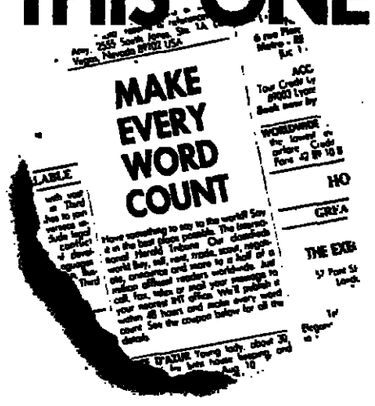

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Herald INTERNATIONAL Tribune.
Published with The New York Times and The Washington Post

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.